Daily Report

Latin America

FBIS-LAT-96-042
Friday
1 March 1996

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FBIS-LAT-96-042 *1 March 1996*

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Inter-American Affairs: Rio Group Meeting Opens in Bolivia

PY2802212396 Madrid EFE in Spanish
1622 GMT 28 Feb 96

[FBIS Translated Text] Cochabamba (Bolivia), 28 Feb (EFE) — Bolivian Foreign Minister Antonio Aranibar today opened a meeting of national coordinators from the Rio Group member countries.

Aranibar emphasized the importance of the Rio Group as a mechanism for talks and concurrence and reported that after this meeting a proposal will be raised on a draft declaration that will be signed at a meeting with the EU foreign ministers on 15-16 April in the city of Cochabamba.

The Bolivian foreign minister added that three key issues will be discussed with the EU: The enhancement of institutional talks between the two regional organizations; sustainable development; and drug enforcement.

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Cuba

Cuba: Brazilian Paper Interviews Official on Downing

PY0103021996 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Feb 96 p 10

[Article by correspondent Marlise Ilhesca in Caracas]

[FBIS Translated Text] Caracas — Cuba, amid U.S. reprisals and UN Security Council threats of sanctions, expects to count on the solidarity of the Latin American countries. However, it expects that Brazil, being a regional leader, will maintain a cautious position regarding the measures that could be adopted by Washington or New York.

"The years during which the Latin American countries, except for Mexico, sided with lies, aggression, manipulations, and the violation of the peoples' right to self-determination have already gone by. We are living through other times. The sad chapters staged by the OAS have been left behind. Latin America has now matured, gained an identity, and knows what is good for it. It is a region with its own voice. It knows how to overcome pressures, independently from the manipulation to which it may be subject." Such are the thoughts of Cuban Vice Foreign Minister Ambassador Jorge Bolanos [name and title as published], who spoke over the phone with JORNAL DO BRASIL.

Principles

Bolanos pointed out Cuba's expectations regarding Brazil. "It is a country that has always maintained a foreign policy based on judiciousness and on the universal principles of international law. We do not doubt that these principles will prevail now," he said.

Bolanos recognized that Cuba has few chances to escape the defendant's bench of the UN Security Council. "It is an unfair organization, where democracy simply does not work. We know all the manipulations it is capable of carrying out," he said.

The ambassador denied that the downing of the airplanes and the confrontation with the United States before the presidential elections in that country had been a precipitous decision, with a high political cost for President Fidel Castro. "We have been paying a high price for defending our sovereignty and dignity for more than 35 years. We are a small and poor country but with dignity, willing to pay an additional 35 years to maintain these principles."

Cuba: UN Secretary General Asked To End 'Aggression'

PY2902141496 Madrid EFE in Spanish 0035 GMT 29 Feb 96

[FBIS Translated Text] Sao Paulo, 28 Feb (EFE) — United Nations Secretary General Butrus Butrus-Ghali, who is paying an official visit to Brazil, today received a note from organizations of solidarity with Cuba, asking for his mediation to end the aggression against that Caribbean island.

The note is signed by the Jose Marti Cultural Association and the Forum of Solidarity with Cuba, whose members include Brazilian intellectuals and artists Chico Buarque, Frei Betto, Fernando Morais, Deputy Jamil Murad, and others.

Delivering the note to Butrus-Ghali, Deputy Murad said: "We ask the United Nations to ensure the aggressions against Cuba stop. The invasion of the Cuban airspace was a terrorist action that sought to harm Cuban-U.S. relations."

Murad added that after the Cuban fighters downed the two small civil planes, on 24 February the United States "took a critical position by announcing measures to tighten the embargo on Cuba," and sought to make the United Nations Security Council adopt a position without first hearing the Cuban version.

Earlier Butrus Ghali termed "very balanced" the Security Council declaration on the issue, because it only "deplores violence" and asks the International Civil Aviation Organization to investigate the incident.

He said: "The Council is awaiting the result of this investigation before adopting a final position."

Cuba: Nunez Mosquera on Robaina's Meeting With NAM

PA2902154496 Havana Radio Rebelde Network in Spanish 1315 GMT 29 Feb 96

[Telephone interview with Cuban Alternate Ambassador to the United Nations Pedro Nunez Mosquera, in the United Nations, by Marina Menendez Quintero, at studio, in the "Doing Radio" newscast; live]

[FBIS Translated Text] [Menendez] Greetings. I am in direct contact with Pedro Nunez Mosquera, Cuba's alternate ambassador to the United Nations, to secure details on the meeting held yesterday by Foreign Minister Roberto Robaina with Coordination Bureau of the Nonaligned Movement [NAM] to seek support for Cuba's request for a new meeting of the UN Security Council

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[as heard] to expose Cuba's truth in the case of the airplanes downed last Saturday when they were violating our air space.

Good morning, Nunez Mosquera.

[Nunez Mosquera] Good morning.

[Menendez] What are the latest details with regard to the NAM?. Please give us some details.

[Nunez Mosquera] Yes, Marina. Yesterday was a busy day in regard to this issue. There was a meeting of the Coordination Bureau of the NAM. Many diplomats characterized it as impressive because of the large number of participants and the unanimity of the positions expressed.

At the meeting, Minister Robaina explained what happened, Cuba's position, how Cuban sovereignty has been systematically violated by these flights with the knowledge of the United States and in violation of international law, and presented Cuba's request that the UN General Assembly should hear Cuba's truth.

Twenty-eight delegations backed Cuba's request to present its position at the General Assembly, and the president of the NAM ordered to speak with the president of the General Assembly to report to him that the entire NAM backs Cuba's request.

[Menendez] How many delegations supported this?

[Nunez Mosquera] Twenty-eight. One after the other backed Cuba's request. The president of the NAM already, yesterday, spoke with the president of the General Assembly. This is moving along. Now the president of the General Assembly must consult the presidents of regional groups. We expect no problem will arise from this. We are sure, of course, that the United States will try to keep this from happening, will try to prevent Minister Robaina from speaking before the General Assembly as it did at the Security Council, which did not wait for the minister to arrive. However, we think that the political cost of this would be too high. It would be very difficult to back such a stand, because all the states have the right to present their position at the General Assembly. The political cost of backing an obstruction of this nature would be too high.

[Menendez] Especially, because there has been support in the world for the Cuban position. It would be very difficult.

[Nunez Mosquera] Yesterday the minister held two packed news conferences and continued giving details on Cuba's truth. Today...

[Menendez, interrupting] Right, I was just going to ask you what the plans are for today.

[Nunez Mosquera] This afternoon the minister will meet with the Latin American Group to continue explaining Cuba's position. In the morning, he will meet with several ambassadors. This is what is happening right now. I can tell you that the backing we are receiving everyday, especially from our people, encourages the Cuban delegation, as I told you yesterday.

[Menendez] Thank you, Nunez Mosquera.

Cuba: PRC Official Says Sovereignty Must Be Defended

PA2902155796 Havana PRENSA LATINA in Spanish 1422 GMT 29 Feb 96

[FBIS Translated Text] Beijing, 28 Feb (PL) — In a news conference today, commenting on the downing of two pirate lightplanes by the Cuban Air Force on Saturday, PRC Foreign Ministry spokesman Shen Guofang said that a country has every right to defend its sovereignty.

In the usual weekly meeting with the press, resumed today after the lunar calendar's New Year recess, and after lamenting the loss of human lives in the incident, Shen reiterated the importance of defending sovereignty and territorial integrity.

Two Cessna lightplanes that had departed from the Opa Locka, Florida, airport were downed Saturday afternoon while violating the airspace over Cuban territorial waters, at a distance of five to eight miles north of Baracoa beach, which lies west of Havana. Shen said there are international agreements forbidding the use of arms against civilian aircraft, but that other treaties specify that civilian aircraft cannot violate the airspace of sovereign countries.

It is very clear that a country's territorial integrity should not be violated, the spokesman said.

Clearly alluding to the speed with which the United States maneuvered at the UN Security Council — taking advantage of the fact that the U.S. delegate presided over it — to have Cuba condemned, Shen said it is necessary to learn the truth and wait to clarify all of the facts.

Cuba: 'Brothers' Group Risking 'New Incident'

PA2902203896 Havana PRENSA LATINA in Spanish 1535 GMT 29 Feb 96

[FBIS Translated Text] Havana, 29 Feb (PL) — The possible repetition of a violation of Cuban territory by the anti-Castro group Brothers to the Rescue runs a "very high" risk of becoming a new incident, GRANMA stated today.

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According to the mouthpiece of the Communist Party of Cuba, Jose Basulto, leader of the Miami based group, unveiled his intention of organizing new provocations on 2 March similar to last weekend's, which led to the downing of two pirate planes.

Not only does the planned operation challenge Cuban laws but also U.S. laws, the newspaper stated, adding that the "world's leading power" is being dragged by "outlaws."

According to GRANMA, it seems as though the decisions in that country are not being adopted in the White House but, rather, in the hangars of Opa-Locka, headquarters of Brothers to the Rescue.

GRANMA warned the international public opinion and the U.S. Government of the provocations being hatched and stated that those who tolerate and participate in these provocations will be solely responsible for the consequences.

Cuba: 'Straight Talk' Discusses Plane Downing

PA0103012496 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Feb 96

["Straight Talk" program hosted by Oswaldo Rodriguez and featuring reporter Eddy Jimenez]

[FBIS Translated Text] [Rodriguez] After the U.S. network CNN broadcast for the entire world, live, the Security Council's public session lamenting the downing of two lightplanes over Cuban waters, and the Security Council proposed an international investigation, the United States started to say throughout the world that Cuba had been condemned at the Security Council. I am inviting you, Eddie, to discuss the problem.

[Jimenez] There is no doubt that they control all, or at least the majority, of the propaganda media. [Words indistinct] Two U.S. government officials are trying to portray Cuba as condemned, based on the statement approved at the Security Council. In this regard, several aspects should be considered. First of all, it is necessary to define very clearly the difference between the Security Council president's statement and the Security Council's condemning resolution.

[Rodriguez] That is a technical difference.

[Jimenez] A technical term, true, but a very important one.

[Rodriguez] It was approved.

[Jimenez] They approved the Security Council president's statement.

[Rodriguez] It is a statement by the Council's president.

[Jimenez] A statement by the Council's president, which results from a consensus.

[Rodriguez] Taken by consensus.

[Jimenez] First, it is taken by consensus. This is to say, it is not voted on at any time. In addition, it lacks a juridical or denunciatory [condenatorio] nature. The member countries do not have to abide by whatever is agreed upon.

[Rodriguez] In addition, there is something unethical in this Council president's statement because the Unites States presides over the Council this month, and the United States did not step down from the presidency before making this kind of maneuver.

[Jimenez] There are an indefinite number of ethical problems that we will touch on later, but let us continue to discuss what is a presidential statement. We said that it is adopted by consensus and that it does not have a juridical nor denunciatory nature. Abiding by it is not obligatory.

A UN resolution, a Security Council resolution, however, is obligatory and denunciatory, and it is juridical.

[Rodriguez] No resolution was approved in this case.

[Jimenez] No, it was not approved. The United States never decided to present a denunciatory resolution against Cuba, because it knew that it would not enjoy a consensus; it knew that it would not pass so easily.

[Rodriguez] What did they present at first?

[Jimenez] They first presented a statement, a draft statement that was met with a completely unfavorable reaction within the Security Council.

[Rodriguez] From what countries?

[Jimenez] From most council members.

[Rodriguez] From permanent as well as non-permanent members?

[Jimenez] That is correct. It was a statement that did not enjoy a consensus; there was unfavorable reaction because it was a denunciatory statement.

[Rodriguez] Do you have the text?

[Jimenez] I have it here, and we will discuss it later. We will compare it to the document that was actually approved to ensure there is no doubt about this. First, due to a lack of consensus, they were not able to present a denunciatory resolution, and they had to resort to a presidential statement, which as I said, is invalid, juridically speaking, because compliance is not mandatory.

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[Rodriguez] Cuba has not been condemned at the Security Council. This is the topic that we are analyzing on "Straight Talk" today with journalist Eddy Jimenez.

[Jimenez] Look, Osvaldo, they even had to eliminate the first presidential statement. They had to lower its tone because there was no consensus. They had to come up with a much more moderate second statement, which was the one that was approved. I told you that I had the first version that the United States presented and that did not enjoy a consensus. I have it here with me.

The first paragraph reads: The Security Council condemns the downing by Cuba of two unarmed civilian aircraft over international waters. The text that was approved reads: The Security Council profoundly regrets the downing by the Cuban Air Force of two civilian aircraft.

[Rodriguez] Let us stress the difference.

[Jimenez] They first tried to get a condemnation, but they actually managed to have a regret approved. We also regret this.

[Rodriguez] Of course, if we had voted at the Security Council, Cuba would have also raised its hands to support this paragraph.

[Jimenez] We also regret this; of course we do, but we must pay attention to what originated this situation. It was U.S. policy.

[Rodriguez] Let us continue to compare the texts.

[Jimenez] Another part states that the illegal conduct by Cuban authorities poses a threat to international order.

[Rodriguez] That was not approved.

[Jimenez] That was not approved. At no time was it noted that there was illegal conduct and much less that Cuba represents a threat to international order. They had to yield and to continue lowering their tone.

[Rodriguez] No part of that paragraph was approved?

[Jimenez] It was not approved. It also states: The Security Council requests that the International Civil Aviation Organization investigate this incident and urges the Cuban Government to fully cooperate with this investigation.

[Rodriguez] That was the first proposal.

[Jimenez] That is correct.

[Rodriguez] What was approved?

[Jimenez] This was approved: The Security Council asks the International Civil Aviation Organization to carry out an in-depth investigation into the incident and urges the interested governments to fully cooperate with this investigation. In other words, it did not ask Cuba to fully cooperate. The approved text asks that the two countries fully cooperate with this investigation. We also would have agreed to this because we are very interested in having violations of our airspace and maritime space investigated.

[Rodriguez] Let us continue with the text.

[Jimenez] It also states: The Security Council urges Cuba to pay compensation to the families of the dead, in other words, to the air pirates, who in this case violated Cuban territory, its territorial waters, the ones who were downed.

[Rodriguez] None of this was approved.

[Jimenez] None.

[Rodriguez] Not a word?

[Jimenez] Nothing. Among the unilateral measures adopted by President Bill Clinton, however, there is one that calls for approval of the use of frozen money, the money that they shamelessly stole through the economic blockade, to pay this compensation. In other words, they had already decided to do this in an unilateral manner. They are acting as if they were the owners of the world, the macho ones, the ones who decide. They are a great power...

[Rodriguez, interrupting] They are a great power that has not been able to bite the small alligator, (?its neighbor).

[Jimenez] Let us continue to analyze other points. The last paragraph of the draft presidential statement that they tried to have approved reads: The Security Council will maintain its attention on this issue, including the consideration of measures. They left this up in the air. This includes many things, even military measures.

[Rodriguez] Even an invasion such as the one in the Gulf?

[Jimenez] Correct. The text that was actually approved reads: The Council will examine without delay this report — I am talking about the one issued by the civil aviation — and all new information presented to it. This generated expectations and analysis about the possibility of applying measures.

[Rodriguez] They introduced something new in the approved document, something that was not in the first version. That is, the fact that an article was violated by aggression against civilians by a military organization.

[Jimenez] That appears in the second... [pauses] The approved text reads: The Security Council recalls that in keeping with international law, as specified in Article

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3 of the international civil aviation agreement of 7 December 1944, added by the Protocol of (?Montreal) of 10 May 1984, the states must abstain from using arms against civilian planes in flight and must not jeopardize the life of persons on board or the security of the aircraft.

But there is one thing: The Cessna planes, the same ones that violated Cuban airspace, were also used in Vietnam. The term civil aviation is not determined by the kind of plane but by what is inside, because a Cessna can also be equipped with war materiel.

[Rodriguez] Cuba has not been condemned in the UN Security Council. That is the topic we are talking about today with journalist Eddy Jimenez. Eddy, this last thing you were talking about, the use of an aircraft and the features of an aircraft do not give it a civilian or military character. A civilian plane has a regular, announced route. It is subject to norms, to international regulations. These individuals are undoubtedly always violating our airspace. In this case they were warned. Havana told them they would be violating our airspace if they flew below a certain line. They said they simply did not know. They did not know, but kept doing it. Every time they entered our airspace they were risking their lives, even though they were warned about this being an activated area, meaning it was an area in which our defensive systems were ready to prevent the violation of our borders. This plane that dared to cross the line stopped being a civilian plane. Don't you think so?

[Jimenez] Of course.

[Rodriguez] It was also a plane they themselves used to drop counterrevolutionary leaflets, to violate our airspace and to fly over our cities, thereby endangering air traffic in this city, which has a big airport.

[Jimenez] Remember that at the beginning of the revolution, lightplanes bombed Havana.

[Rodriguez] That is right.

[Jimenez] The important thing is what you place inside the lightplane. What offensive, war materiel you place inside the plane is the important thing.

Going back to the UN Security Council topic, this is very important. It is clear that the United States was not only unable to pass a resolution to condemn Cuba, but had to lower the tone of the presidential declaration, which they tried to support. They even had to give in on some areas so that it could be approved. They even tried to resort to the veto blackmail. They said that if the declaration was not approved, which they themselves had to moderate, they would submit a resolution condemning Cuba. They would have run the risk of the resolution being vetoed, which would not have been advisable for either of the two sides. That is why, approved this way, up to a certain point, we do agree with some of the paragraphs that are contained there. We agree the incident should be investigated by civil aeronautics authorities.

[Rodriguez] I believe Cuba, more than the United States, would benefit from an in-depth investigation, because all the other violations would then start coming out in the open. All the public communiques and all the internal communiques issued to the U.S. authorities would start surfacing.

[Jimenez] Even though the UN Security Council has become a dependency of the U.S. State Department, despite the unipolar situation in the world today, the United States was unable to obtain a consensus for more drastic, more violent, more cruel measures against our country. The reason was that influential countries within the UN Security Council were opposed, and they had to negotiate and lower the tone of the declaration.

[Rodriguez] Among them, Russia and the PRC.

[Jimenez] Especially PRC. All of them in general wanted to negotiate the text of the document. There was consensus on that. Remember that among the nonpermanent members of the UN Security Council there is a group of nonaligned countries and the United States not only needed the five votes of the permanent members of the UN Security Council, but nine votes in order to approve a resolution condemning Cuba.

[Rodriguez] Undoubtedly this is a topic we must continue to discuss because other measures are being taken by our diplomatic personnel within the United Nations to review this situation.

Cuba: ICAO Says No Violation by Cuba of Geneva Convention

PA2902215396 Havana PRENSA LATINA in Spanish 1900 GMT 29 Feb 96

[FBIS Translated Text] Havana, 29 Feb (PL) — The International Civil Aviation Organization (ICAO) informed today that Cuba has not violated Article 3 bis of the Geneva Convention, which the United States has used as an argument to condemn Cuba's recent shooting down of two airplanes that violated its national territory.

This statement is based upon the fact that the aforementioned article — which proscribes the shooting down of civil aircraft under any circumstance — is not valid, because it has only been ratified by 82 out of the 102 ICAO member countries.

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The United States, Cuba, and even eight member nations of the UN Security Council have not signed this protocol.

Therefore, the United Nations has examined last Saturday's events on the basis of an instrument that has no legal grounds. This was so stated today by Carlos Fernandez de Cossio, director of the Cuban Foreign Ministry's North American office.

Fernandez de Cossio added that the ICAO has not replied yet to Cuba's request to also investigate every violation of its territory by vessels and airplanes that have come from the United States over these years.

Fernandez de Cossio stated that the U.S. Government is attempting to bring Cuba to the defendant's seat under charges of violating international agreements, despite the fact that the United States is the main culprit for the incident that occurred on Saturday, 24 February.

Cuba: Official Warns Against Territorial Violations

PA0103021296 Havana PRENSA LATINA in Spanish 2140 GMT 29 Feb 96

[FBIS Translated Text] Havana, 29 Feb (PL) — Cuba announced today that it will not take action against an aerial and maritime flotilla that plans to travel to the island from the United States as long as this action takes place on international waters.

Carlos Fernandez de Cossio, director of the U.S. and Canada Directorate of the Cuban Foreign Ministry, reaffirmed his country's position on preventing the violation of its air, maritime, and ground space in a clear warning to the "Brothers to the Rescue" counterrevolutionary group headquartered in Miami which has announced a 2 March trip.

Less than a week after two small planes belonging to that organization were downed by the Cuban Air Force as they entered this country's airspace, the chief of that group announced that they will repeat the action on 2 March. Havana has described this as open provocation.

"If they use international waters they will face no difficulties, but if they get to Cuban waters, the Cuban Government has reaffirmed very clearly on several occasions that its position is to prevent the violation of its air, maritime, and ground space," Fernandez de Cossio pointed out.

The ranking official recalled that the area belonging to Cuba in maritime and aerial terms is within the 12 mile limit, and he added that years ago the island established a permanently restricted area that starts north of Havana and south of Parallel 24.

There would be a provocation, Fernandez de Cossio noted, if they crossed Parallel 24 into the said area that is recognized by all international civil aviation manuals as an area of possible danger for any aircraft.

In the same vein, he stressed that the United States has the political, technological, and economic means, and the juridical instruments to determine the goals of this new action planned by the anti-Cuban organization.

Fernandez de Cossio added that a Neutrality Law that the neighboring country has had since 1794 [date as received] bans any provocative actions against another state originating from its territory during peacetime.

"The execution or rigorous application of this law would allow the United States to prevent this kind of incident," he pointed out. The official added that Washington's attitude will show whether it is being tolerant or acting as an accomplice in promoting the action.

The question is whether the U.S. Government, being aware of previous developments, will once again allow an openly provocative act to occur without taking into account the cost and the consequences, he noted.

"Cuba would take the necessary measures if it believes that its sovereignty and its sovereign rights are jeopardized," Fernandez de Cossio said. He added that "it is expected that the abundant diplomatic correspondence (regarding the violations issue) between the two countries that has accumulated for years will be sufficient to act as a warning."

Cuba: Cuba To Cooperate With ICAO Investigation

PA0103012996 Havana PRENSA LATINA in Spanish 2234 GMT 29 Feb 96

[FBIS Translated Excerpt] Havana, 29 Feb (PL) — Cuba today expressed its willingness to cooperate with the International Civil Aviation Organization (ICAO) in the investigation it requested on the violation of its airspace by aircraft from the United States.

In a news conference in this capital, Carlos Fernandez de Cossio, director of the Cuban Foreign Ministry's North America Office, reiterated Foreign Minister Roberto Robaina's statement at the United Nations.

Robaina invited the ICAO to conduct an exhaustive and impartial investigation as soon as possible on the successive violations of Cuban airspace by U.S.-registered aircraft, including the three that entered the zone under Cuban jurisdiction on Saturday, 24 February.

Two of the airplanes where downed by Cuban fighters when they entered the island's airspace [words indistinct] their action.

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The island's authorities have insisted they will offer "their complete cooperation to the organization in the noble objective of guaranteeing aviation security." [passage omitted]

Cuba: Commentary on Goals of 'Brothers to the Rescue'

PA0103022796 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Mar 96

["Point of View" segment by Roberto Morejon: Is Brothers to the Rescue a Humanitarian Group?; from the "Evening Information Review" newscast]

[FBIS Translated Text] The U.S. Government has repeated the fallacy that the counterrevolutionary organization Brothers to the Rescue continues with its alleged humanitarian functions in the Florida Straits. The reality is different as proved by the evidence submitted by the Cuban authorities and one of the pilots who, until recently, was a member of that group, which represents the extreme right sectors of immigrants of Cuban origin who have settled in the United States.

Brothers to the Rescue owns the aircraft that violated Cuban airspace on two occasions last Saturday and were shot down in an action of legitimate defense by the island's Air Force. This group, which has its operations base in the Opa Locka Airport, in Florida, is a long way from being a humanitarian organization that is only in charge of picking up rafters at sea between Cuba and the United States.

First of all, the flow of illegal immigrants by sea was reduced to a minimum after Cuba and the United States signed a migration accord through which persons who carry out such an adventure are returned to the island. Thanks to the accords between Havana and Washington, announced on 2 May 1995, 220 persons who tried to illegally leave Cuba were returned to the country by the United States by 13 February.

Given the drastic reduction in the number of rafters, now that there exists an organized way through which candidates for migration can apply for this, it is appropriate to mention: Why do these Brothers to the Rescue aircraft continue their flights? The Cuban authorities reported that 25 aircraft have violated the island's airspace within the last 20 months while, in an interview granted to the national television, a former pilot of Brothers to the Rescue revealed the group's true functions.

Juan Pablo Roque reported that the group to which he belonged prepared plans to place explosives in Cuban targets and it instructed its members in the use of weapons that should be smuggled to the island to perpetrate attacks on leaders. The financing provided by the ultra-reactionary National Cuban-American Foundation to Brothers to the Rescue is precisely aimed at supporting such terrorist plans rather than alleged humanitarian missions, as the U.S. authorities are trying to pretend.

The goal sought by Brothers to the Rescue and other extreme groups comprised of migrants of Cuban origin is to subvert, through violence if necessary, the order that currently prevails in Cuba. The island's authorities are perfectly aware of this.

Cuba: Latin American UN Group Backs Robaina Presentation

PA0103022896 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Mar 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The Group of Latin American and Caribbean Countries at the United Nations, Grulac, has supported Cuba's request to present before that organization's General Assembly the arguments and evidence of the island's authorities regarding the violation of its airspace and the downing of two small aircraft on 24 February.

On 29 February Cuban Foreign Minister Roberto Robaina attended a Grulac meeting, during which he presented details on the illegal actions committed against the largest Antillean island in the past 20 months that show that the U.S. Government has tolerated such actions.

Colombian Julio Londono, coordinator of Grulac for the current period, said that this group supports Cuba's request to include this issue in the assembly's working schedule called "10 Years of International Law."

At the end of the meeting, the Cuban foreign minister replied to some questions posed by the reporters, and he pointed out that his country does not speak in a hysterical tone or reply with any sign of alarm, but he added that if new provocations are carried out, as the extremist organizations of Miami announced a few hours ago, Cuba will know how to reply to such actions.

The countries of the Nonaligned Movement had previously supported the Caribbean island's intention to present its version of the developments and its evidence before the UN plenum.

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Cuba: Official on Territorial Violations, Helms-Burton Bill

PA0103023696 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Mar 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuba reaffirmed on 29 February that it will adopt the necessary measures to prevent a new violation of its aerial and maritime space. During a news conference in Havana, Ambassador Carlos Fernandez de Cossio [title as heard], director of the North America Office of the Cuban Foreign Ministry, pointed out that if the Brothers to the Rescue counterrevolutionary group enters international waters, his country would have no reason to adopt any measure. However, if it overflies waters under Cuban jurisdiction, Cuba will adopt the appropriate measures to prevent this. In this regard, the Cuban diplomat insisted that the U.S. Government has the political, technological, and juridical means to prevent such violations.

Fernandez de Cossio announced that the International Civil Aviation Organization advised Cuba that Article 3 bis of the Geneva Convention condemning the downing of civilian planes under any circumstances is not in effect. The UN Security Council used this article as a reference to analyze Cuba's decision on 24 February to down two pirate aircraft that violated its airspace. The note states that this article is part of a protocol that is not currently in effect, because it was not ratified by a minimum number of required countries. The United States, Cuba, and eight members of the Security Council have not ratified it. The Cuban diplomat noted that this forum analyzed Cuba on the basis of an instrument that has no legal force.

As for a bicameral agreement at the U.S. Congress to approve the Helms—Burton bill, Fernandez de Cossio pointed out that it could certainly affect the Cuban economy and would eternally delay a solution to the difference between the United States and his country. He added, however, that Cuba hopes that no country will yield to Washington's intentions.

Cuba: Envoy to UN on NAM Support for Cuban Stance

PA0103034896 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Mar 96

[Telephone interview with Pedro Nunez Mosquera, alternate Cuban representative to the United Nations, in New York, by Maria Elena Calderin, in Havana; date not given; from the "Evening Information Review" newscast — recorded]

[FBIS Translated Text] [Calderin] As it was learned this Wednesday, the Coordination Bureau of the Nonaligned Movement [NAM] has given its unanimous support to Cuba's request to present its views before the 50th session of the UN General Assembly [UNGA]. In a telephone interview with Pedro Nunez Mosquera, alternate Cuban representative to the United States, he said:

[Begin recording] [Nunez] The president must begin a process of consultation with the presidents of the regional groups on this request from Cuba, with the unanimous support of NAM, to resume the sessions of the UNGA. This should be done within the discussion of the topic of international law [words indistinct] to hear the Cuban foreign minister and hear the position of Cuba. We trust that the consultation will have a favorable result. Obviously, there is always the danger that the United States may try to prevent Cuba from presenting its truth before UNGA, given the amount of evidence Cuba has regarding this issue.

[Calderin] How do you think the United States may block the presentation....

[Nunez, interrupting] This possibility is always present, this possibility is always present. But the political cost would be very high for the United States or any other state supporting that motion, because it is a principle that every state has the sovereign right to speak before the UNGA.

[Calderin] Yes, but taking into consideration that the 123 NAM nations support this Cuban request, would any U.S. maneuver to prevent this from happening be legal?

[Nunez] That is why I am telling you that it is very unlikely an effort to block the Cuban initiative may prosper, because the political cost of supporting such an action is very high.

[Calderin] Of course.

[Nunez] In our opinion, preventing a country, that has the support of the Third World, from presenting its position is very difficult to achieve.

[Calderin] That is right. But NAM President Julio Londono told me that the UNGA president, with whom he had talked and to whom the Cuban request was presented, had welcomed the Cuban initiative and he thought this would not take long. In other words, the appearance of Cuba before the UNGA would take place soon.

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[Nunez] Yes, I believe so. Everything seems to indicate the UNGA president welcomed this initiative, and this must take place in the next few days.

[Calderin] Today....

[Nunez, interrupting] You know that this entails a process of consultation and always takes time. This is not something that can be done overnight, it involves a process of consultation. This has been regulated and takes time. We believe that this will be resolved next week.

[Calderin] Mosquera, the U.S. term as UN Security Council president is supposed to end today, 29 February.

[Nunez] Beginning tomorrow, Botswana will chair the UN Security Council. A Botswana presidency will always be more impartial. You know that the United States even showed its partiality in this affair. Article 20 of the Council regulations empowers the president not to chair the session, if it is a party to a dispute such as this. They chose not to make use of this article, showing a basic lack of ethics.

But I repeat, the Council is not now involved in that affair. The Council proposed [words indistinct] and it must now wait for the ICAO [International Civil Aviation Organization] investigation. Foreign Minister Robaina even announced that Cuba, in a sovereign manner, has requested an investigation from ICAO. Therefore, the Council has no further say in this matter for the time being.

[Calderin] We have received information on the support the Cuban position has received from some countries, not only Latin American countries. Has the Cuban Mission to the United Nations received similar shows of support?

[Nunez] The expressions of solidarity from the delegations are increasing here. As more information is provided on these events, missions are in a better position to judge this matter. As I said, the Security Council acted in a hasty manner. The Security Council adopted its declaration under U.S. pressure, without hearing Cuba's position.

Now with the foreign minister here, the news conferences [words indistinct], the meeting he held with the Latin American group, and the interviews he has given, all are clarifying this situation and enabling the delegations to really understand what has happened.

[Calderin] Yes, I agree and let me give you another indication. Here, Miami radio stations we have been monitoring up until yesterday, before the news conference held by the Cuban foreign minister, maintained an evident — as is customary — hostile tone. They maintained a tone of hysteria, desperation. However, we have noticed that in the last few hours this tone has changed.

[Nunez] Yes, we have perceived that here, too. Television stations yes.erday, the Hispanic channel, termed the meeting of NAM as a categorical victory for Cuba. As Cuba has the possibility to have its voice and truth heard, the situation will change and the international community must understand.

I repeat, it is very difficult to defend 30 years of violations of our sovereignty, of our air space, of our security, in an illegal and flagrant manner, with the approval and knowledge of the U.S. Government. [words indistinct] international community cannot tolerate [words indistinct] no country can tolerate such a violation of its sovereignty.

What happens is that as Cuba's truth becomes known, and as Cuba's voice is heard, governments will have more evidence at hand to judge the situation.

[Calderin] We thank Pedro Nunez Mosquera, alternate Cuban representative to the United Nations. This was an interview by Maria Elena Calderin. [end recording]

Cuba: Ministry Officials on Measures Against Violations

PA0103034396 Havana Cubavision Network in Spanish 0100 GMT 1 Mar 96

[Report by Norma del Rio; from the NTV" newscast]

[FBIS Translated Text] Officials of the Cuban Foreign Ministry, Minrex, in their habitual weekly meeting with the local and foreign media, broached several international issues on 29 February:

[Del Rio] Carlos Fernandez de Cossio, director of Minrex's America I Department, said:

[Begin Fernandez recording] We received a note from the International Civil Aviation Organization advising us that the Article 3 bis amendment of the Chicago Convention used as a reference at the Security Council is not in effect. It has not been ratified by Cuba, the United States, or by eight of the 15 Security Council members that approved this week's declaration. [end recording]

[Del Rio] He also reaffirmed that the necessary measures will be adopted to prevent a new violation of Cuba's sovereignty:

[Begin Fernandez recording] If they come to international waters they should face no difficulties, but if they venture into Cuban waters the Cuban Government, which has repeatedly stated its position, will prevent the

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violation of its aerial, maritime, or ground space. [end recording]

[Del Rio] The Minrex official added that the U.S. Government is trying to bring Cuba to the defendant's seat as a violator of international agreements although this power is the main culprit for the 24 February incidents.

Cuba: Latin American Group on Resumption of UN Sessions

PA0103034796 Havana Cubavision Network in Spanish 0100 GMT 1 Mar 96

[From the "NTV" newscast]

[FBIS Translated Text] The Group of Latin American and Caribbean Countries [Grulac] at the United Nations unanimously supported the Cuban request to resume the 50th regular period of sessions of the UN General Assembly in order to explain Cuba's position regarding the 24 February incidents.

Cuban Foreign Minister Roberto Robaina met with the Grulac today to inform its members, without any misleading information or mediators, about the incidents, violations, and the complicity that led to the downing of two pirate planes in our island's sovereign airspace.

Robaina said he is convinced that the incident formed part of a well-planned conspiracy by extreme right-wing Cuban and U.S. sectors, in the framework of the U.S. elections, to achieve a toughening of the sanctions against Cuba and against those, who in the world, exercise their right to trade and invest in the island.

The Cuban foreign minister also added that the pirate planes had entered a no-fly zone, near military units, with which the pilots of those lightplanes were directly making an attempt against the country's national security.

Robaina recognized the efforts of Chile and Honduras at the UN Security Council to prevent the adoption of the extreme measures proposed by the United States. He expressed his gratitude over the verbal support given by Mexico, Guyana, Peru, Colombia, Belize, and once again Chile and Honduras, who ratified before the Grulac, their position before the UN Security Council.

Along with the consultation process at the presidency of the UN General Assembly and the regional groups, Robaina held numerous interviews with the ambassadors of several countries, especially with the members of the UN Security Council.

Robaina offered on 28 February an exclusive interview with CNN and today he explained Cuba's truth to executives from ABC Television Network.

It was also learned that messages of support from Cuban organizations and institutions and friends of Cuba in support of the firm position to defend the principles of the Caribbean nation have been received at the Cuban mission at the United Nations in New York. It was also learned that demonstrators who gathered in front of the Cuban building on Lexington Avenue shouted slogans in support of the island and against the blockade and condemned U.S. maneuvers at the UN Security Council.

Cuba: Robaina on U.S. 'Complicity' in 24 Feb Events

PA0103042796 Havana Cubavision Network in Spanish 0100 GMT 1 Mar 96

[From the "NTV" newscast]

[FBIS Translated Text] On the evening of 29 February, Foreign Relations Minister Roberto Robaina met with reporters at the United Nations to show certain evidence of U.S. complicity in the events that led to the 24 February incident. The Cuban foreign minister listed more than 25 violations to the Cuban jurisdiction and sovereignty that have taken place in the last 20 months, adding that hundreds more violations have taken place despite the repeated warnings that they would not be tolerated anymore and that patience has a limit.

As he referred to an international civil aviation agreement included in a 1984 protocol, he pointed out that an article entitled the (3 bis) stated that, in order to put this protocol into effect, it needs the ratification of 102 signatory nations. So far, only 82 nations have ratified it. In this regard, Robaina pointed out that the United States and Cuba are among the countries that oppose this protocol, and therefore, have not ratified it. In addition, he added, eight members of the current UN Security Council have not ratified this protocol either, which is very interesting. That is, we are being judged with an instrument that lacks legal force.

In reference to the 1984 international civil aviation agreement, he affirmed that this agreement does state very clearly that each state has the right to demand and force the landing of any aircraft that, protected by a civil license, violates its sovereignty. Robaina stressed once more that Cuba has acted with honesty, patience, and excessive tolerance. The Cuban foreign minister also said that this attitude of wanting to become a judge based on an article of a protocol that the United States does not even recognize, has serious reservations about, and has never ratified is very hypocritical.

Robaina told the media accredited at the United Nations that the United States reached hasty conclusions, issued preposterous threats, and announced measures that seem

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to be in compliance with the political plan of the ultra-rightist wing, particularly to satisfy the warmongering appetites of the Cuban-American mafia.

Cuba: 'Dangerous' Consequences of New Incursion

PA0103050096 Havana PRENSA LATINA in Spanish 0115 GMT 1 Mar 96

[Article by Javier Rodriguez: "The Pitcher and the Well"]

[FBIS Translated Text] Havana, 29 Feb (PL) — An old proverb warns and interprets, with wise words, of the serious consequences involved in repeating irrational and dangerous actions, at any moment in one's life.

"The pitcher goes so often to the well that in the end it breaks," says the phrase which constitutes, in itself, valuable advice and a call for prudence and moderation in one's actions.

These two qualities, also very important in a time of conducting politics, seem to be lacking now more than ever, according to Cubans, in the attitude assumed by the United States and its allies from the most recalcitrant Miami—based groups.

Following the latest violation of Cuban airspace by aircraft coming from U.S. territory, which resulted in the downing of two of the aircraft last Saturday, the White House seems to have begun a race to dispute with members of the opposition, from the Republican Party, control in using the strongest language against Cuba.

Regardless of the fact that electoral reasons are playing an important role in this situation and the utmost importance is attached to the fight for Florida votes in the November elections, Washington seems to have gone beyond what we could have expected with regard to concrete orders.

First of all, it sided with the organization responsible for the border violation, disregarding the Cuban evidence about that event which, needless to say, had been repeated regularly for quite some time, without U.S. authorities even considering the possibility of stopping it.

Later, the United States unleashed what Cuba deemed a series of private and public pressures to use the UN Security Council in support of its thesis and even prevented the presence of the foreign minister in the debate with a delay in granting a visa.

In a hurried manner, it practically imposed the passing of a declaration based on an article of the Geneva Convention which is still not in effect, due to the lack of the necessary government ratification. In addition, eight of the 15 members of the Council have not yet ratified this accord.

In addition, it imposed new penalties against the Caribbean country, subjected for decades to an economic and commercial blockade, condemned by the UN General Assembly and many other international organizations.

Astonished Latin American analysts have corroborated that, in spite of the tension these actions and the warlike noise prevailing among the most intransigent Cuban-Americans have created, the affair did not stop there.

Aware of the support they have received and the role they are playing in the electoral debate within the United States, members of the so-called "Brothers to the Rescue" group proclaimed the desire to stage a new provoking incursion near Cuba.

Here logic and common sense again failed; logic and common sense should have prevailed at such a delicate moment, forcing Washington to ban, in a strong manner, what may cause another incident and worsen the atmosphere in the region.

But the decision was different, and they chose to place before the international community the danger of new problems, which will be even more serious, following the order given by President William Clinton to have the U.S. Coast Guard escort an anti-Cuban flotilla to the area.

The denunciation made by the Cuban Government on this attitude and its possible and undesirable consequences results, in itself, in a judicious call to avoid taking the pitcher to the well so often.

Cuba: Article on Clinton Support for Helms-Burton Bill

PA2902221996 Havana PRENSA LATINA in Spanish 2332 GMT 28 Feb 96

[FBIS Translated Text] Washington, 28 Feb (PL) — After saying for several months that he would oppose the Helms-Burton Bill — even threatening to veto it — the William Clinton administration today sided with the most conservative sectors and decided to support it.

The agreement between a congressional committee and the White House to give the green light to a law that plans to forcefully globalize the economic and trade blockade on Cuba was announced in midst of what analysts described here as a climate of anti-Cuban hysteria.

The official reason behind the concessions on U.S. policy toward Cuba was to obtain the support of

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voters during this year's presidential race in the state of Florida, home-base to the most aggressive Cuban-American groups. It seemed to be their basic reason for reaching an agreement, that until recently, was unthinkable.

With the strategy of inflating Saturday's incident, when two planes that were violating Cuban airspace were shot down, Washington decided to support a speedier approval of the law.

In order to soften the political cost of the abrupt change, the promoters of the bill accepted the inclusion of a clause that would allow Clinton to postpone the implementation of the law for up to six months "if deemed necessary for the national interest and if it speeds up the transition toward democracy in Cuba."

The most controversial point of the law is the one that authorizes any U.S. or nationalized citizen — a paragraph also applied to citizens of Cuban origin — to sue any person who buys or uses property confiscated by Cuba in federal courts.

This point also bans the affiliates of U.S. companies abroad to do business with Havana. This had been strongly rejected, even by the main U.S. allies, including Canada and the European countries. They have considered that the extraterritorial implementation of a U.S. law illegal.

According to forecasts by the most recalcitrant congressmen, the law could be finally voted on in March and later submitted for presidential promulgation.

Cuba: National Assembly Condemns U.S. Pressure on Iran

LD2402200396 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 24 Feb 96

[FBIS Translated Text] The Cuban National Assembly has condemned the measure adopted by the U.S. Congress against the Islamic Republic of Iran, and described it as a violation of the UN Charter and international rights and open support for conspiracies against an independent government.

At a meeting with the Iranian ambassador in Havana and in response to a message from the Majles speaker, Ricardo Alarcon, the president of the Cuban National Assembly, said in a message addressed to 'Ali Akbar Nateq-Nuri: In addition to condemning this action, the Cuban National Assembly is ready to coordinate its actions with the Majles in relation to carrying out appropriate efforts in this regard in international organizations.

In his message, he has called on the deputies of the parliaments of the world to condemn the actions of the United States, which have endangered international peace, as well as the financial, economic, and trade sanctions that it employs against independent countries in order to impose its own hegemony.

Cuba: U.S. Group Visits, Assesses Impact of Sanctions

PA2502082396 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Today, it was learned that 25 businessmen, academicians, and former U.S. officials are visiting Havana. They are members of the World Affairs Council [preceding organization name in English], the largest U.S. foreign policy organization, headquartered in San Francisco, California.

The purpose of the group's visit is to verify the impact of the sanctions imposed by Washington on Havana.

Meanwhile, a delegation of 30 businessmen from Canada's Nova Scotia Province, led by Prime Minister John Savage, traveled to Cuba in search of new business opportunities with Cuba. The Canadian delegation met with the ministers of construction and transportation, Juan Junco and Senen Casas, respectively, in order to identify points of interests for future negotiations.

Canada is one of the main commercial partners of the island, with an exchange of merchandise valued at $500 million in 1995.

Cuba: Robaina Arrives in Finland, Meets Officials

PA2502135796 Havana Radio Havana Cuba in Spanish 1300 GMT 24 Feb 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Relations Minister Roberto Robaina met in Helsinki, Finland with Parliament President (Riita Buskainen). During the second day of his visit to Finland, Robaina also met with representatives of the principal political parties, members of the Finnish Industry and Employers Association in Helsinki, and the ambassadors of Mexico, Spain, and Portugal.

The Cuban foreign minister arrived in Finland this Thursday from Norway, and upon arriving he met with his Finnish colleague Tarja Halonen, with whom he discussed economic and political affairs.

Before leaving Finland for Denmark, Roberto Robaina will meet with members from the Cuba-Finland Friendship Association. Following his visit to Denmark, the

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Cuban foreign minister will conclude his tour of the Scandinavian countries in Sweden.

Cuba: Robaina Ends Visit to Finland, Arrives in Denmark

PA2602221096 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] This Sunday, Cuban Foreign Relations Minister Roberto Robaina began his official visit to Denmark. This is the third country in his trip through northern Europe, which will also include Sweden.

Last Saturday, Robaina ended his three-day visit to Finland. In Helsinki, Robaina's busy agenda included a series of meetings in which he provided detailed information about Cuba's reality to a group of scholars, professors, and students at the state university.

Later on, representatives of the Cuban Friendship Association, including Finnish Foreign Affairs Minister Tarja Halonen and members of this solidarity group, which has become stronger in northern Europe, welcomed Robaina and pledged to continue supporting Cuba's right to follow its own course. In addition, Robaina met with a group of Cubans who reside in Finland, and he informed them about Cuba's new migration provision called the travel validity document, which allows a 90-day entry into the country without a visa. In Finland, Robaina met with the Parliament president.

Cuba: Finland Said To Denounce U.S. Sanctions

PA2502140196 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 24 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Finnish Foreign Minister Tarja Halonen today informed his Cuban counterpart Roberto Robaina of her government's decision to implement the cultural, scientific, and technical cooperation program agreed upon by both countries for this year.

The Cuban delegation was also informed that before the expiration of the current exchange program, both parties will negotiate to continue the bilateral cooperation.

Cuba and Finland today decided to bolster their relations following this visit, and agreed in denouncing the U.S. sanctions against the island as a flagrant and massive human rights violation of the Cuban people.

Robaina held meetings at the Parliament and at the Industry and Employers Association of that Nordic country. The Cuban foreign minister was received yesterday by Finnish Prime Minister Paavo Lipponen, to whom he delivered a personnel message from President Fidel Castro to Finnish President Martti Ahtisaari.

Cuba: Russia Pledges Support To Construct Nuclear Plant

PA2302201296 Havana Radio Havana Cuba in Spanish 1300 GMT 21 Feb 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Russian Minister of Atomic Energy Viktor Mikhaylov has affirmed that the Russian Federation is ready to continue the construction of the Juragua Nuclear Plant, in the southern Cuban Province of Cienfuegos. Mikhaylov visited this plant during his visit to Cuba.

The Russian official indicated he was able to corroborate the quality of the work at the nuclear plant, its security, and the application of maintenance and the preservation of equipment, since its construction was stopped in 1992.

In a meeting with Cuban specialists on the so-called work of the century, Viktor Mikhaylov concluded that with the participation of Russia, the Juragua Nuclear Plant will be constructed and operational in the shortest possible time.

Cuba: Commentary on Importance of Juragua Plant Project

PA2502092296 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Feb 96

[Station commentary read by Ignacio Canel from the "Evening Information Review" newscast]

[FBIS Translated Text] The controversial Juragua nuclear plant in Cuba's central region has become the object of special attention lately in the wake of the visit by former U.S. diplomats, retired officers, and environmentalists who have visited the installations to learn about the progress of the project and the degree of safety that it offers to the surrounding region.

The most tenacious efforts to stiffen the U.S. economic blockade include a campaign to deprive this country, which is seriously hurt by the lack of energy, of the considerable contribution from a energy plant of more than 400 megawatts in order to meet a large part of the national electricity demand and considerably lower oil imports.

The campaign is headed by Cuban-born ultra-rightist groups in the state of Florida, associated with the most reactionary spheres of the Republican Party. This dreadful bunch sponsored and promoted the Helms-Burton

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bill, which is being approved in the U.S. Congress and which includes crazy anti-Cuban measures that also affect other nations that trade with the island.

So far, UN experts and other specialists have visited the Juragua nuclear plant project and have confirmed the safety of this installation and have informed the press about it. The project came to a standstill with the emergence of the economic crisis that stemmed from the collapse of the Soviet Union and the rest of eastern Europe's socialist camp, which were Cuba's partners in this major undertaking. Later on, Russia took over the Soviet part in the joint venture with Cuba, and it was agreed that a third investment would be needed to complete the plant and put it into operation.

Cuba is contributing $208 million and Russia $349 million, but approximately $200 million are still needed to round up the $750 million required by the total investment. Russian Atomic Energy Minister Viktor Mikhaylov has just arrived in Cuba. He reaffirmed the Moscow government's willingness to continue participating in building the two Juragua reactors in Cienfuegos Province. He has already toured the installation in the company of Cuban [words indistinct] nuclear energy experts. Mikhaylov said he had verified the quality of the work done and reiterated his government is prepared to continue the project and put the plant into operation as soon as possible. The project of the Juragua nuclear plant began in 1982 and, as I have stated, came to standstill in 1992, with over 80 percent of the construction completed.

Cuban experts and workers have provided careful maintenance in the hopes that it can be continued and completed for the benefit of the country. Its degree of safety for the environment of the region is assured, and its operation will be a key factor in Cuba's economic recovery.

Cuba: Police Official Comments on PNR's Activities

PA2802035796 Havana Radio Rebelde Network in Spanish 1255 GMT 19 Feb 96

[Studio interview with Captain Angel Diaz, from the National Revolutionary Police, by program host Felix Fernando Garrido; place not given; from the "Doing Radio" program — live or recorded]

[FBIS Translated Text] [Garrido] With us is Captain Angel Diaz, who is going to talk with us about the activities of our National Revolutionary Police [PNR]. Good morning Captain, how are you today?

[Diaz] Very well.

[Garrido] The cold weather we are having is no bar to the PNR 's activities is it?

[Diaz] Of course not!

[Garrido] Do you have any examples?

[Diaz] Yes, first of all I can tell you that the rear guard has also been active these days.

[Garrido] I wanted to ask you first about the carnival and then talk about the rear guard. I know there are a great number of comrades involved in keeping the carnival peaceful. Is that right?

[Diaz] The carnival has been going on perfectly. I can tell you that our wonderful, great, invincible, and disciplined population have been enjoying themselves. They have manifested themselves with so much discipline that this must be recognized. This is not just my personal opinion, it is the opinion of the PNR leadership and especially, that of Division General Romarico Sotomayor. He has been in charge of all our activities right there, at the site itself. Truly, they have conducted themselves marvelously. I can say that there have been no outstanding incidents.

On Saturday, 22 year old Javier Alberto Gonzalez Fernandez, who lives at Bellavista, in El Cerro, was charged with disturbing the peace. This was the most outstanding incident that took place. In any case, it is not outstanding or important in any way. It was just for disturbing the peace. Therefore, a very heartfelt congratulations to all of our hardworking people!

[Garrido] Yes, of course and thank you! Does this mean that our rear guard was left unguarded?

[Diaz] No, definitely not! The rear guard has been present and I am going to give you two examples. They occurred during the last 48 hours, in other words, during the carnival that took place in Playa Municipality.

Reinaldo Lastra Rodriguez, who lives on 246 street — between 5th and 5th B — in Playa Municipality, was arrested by police squad car number 659 when he had just assaulted someone and stolen a chain. Immediately the squad car captured him and during their investigation they discovered that just an hour earlier this same citizen had broken into a house at 236 [word indistinct] number 372 — between 3d B and 3d C — in Playa Municipality. He had stolen a recorder, a watch, and a remote control. All of this was recovered. This is truly ... [pauses] The victims were very happy. Another robbery, took place on 3d A — between 62 and 64 — in Playa Municipality. Francisco Toledo Corrales, who lives at 254 64A street, in Playa Municipality, was trying to steal a privately owned vehicle — license HL 59172 — in the morning. He was arrested by squad car 306 while he was trying to steal the vehicle.

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I think that we should send a message to those people who have responsibilities, people who are administrators and who should maintain a vigilance and sometimes do not. This makes it possible for thieves to take advantage because there is no vigilance. This could be in a cafeteria or at the post office. It is important that the population becomes aware of this. Moreover, it is important that administrators and people with responsibility become aware. We are also working against the situation caused by vehicles abandoned in public areas and streets.

[Garrido] Thank you Captain. Capt. Angel Diaz has brought us details regarding the work done by the PNR.

Cuba: Ministry Approves Tax Contributions Regulations

PA2902165396 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban Finance and Prices Ministry has approved new regulations on tax contributions, including taxes on paperwork the Port Captain's Office processes and on advertisements.

The regulations will go into effect in March and April and are part of the tax policy the government has adopted to contribute to the improvement of the domestic economy.

The Cuban newspaper GRANMA reported on 22 February that tax evasions of more than 150 million pesos, mainly due to infractions [violaciones] or miscalculations, were detected following the audits the National Tax Administration Office conducted last year.

Cuba: Castro Lauds Workers on Sugarcane Production

PA2402164996 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Feb 96

[From the "National Radio News"]

[FBIS Translated Text] Commander in Chief Fidel Castro's congratulations for the efficiency obtained by the Amancio Rodriguez, Colombia, Peru, and Majibacoa Sugar Complexes have had broad repercussion among the sugarcane sector's workers in Las Tunas Province.

Correspondent Juan Manuel Olivares speaks with Enrique Lido Saborit, sugar production shift supervisor, at the Majibacoa complex.

[Begin recording] [Olivares] Was everyone happy when the heard the news?

[Lido] Yes! As I was saying to you Olivares, for the sugarcane workers here at the Majibacoa Agro-industrial Complex it was a great honor to have had the visit of the sugar industry minister and, at the same time, to receive the commander in chief's congratulations. It was a great incentive for all sugarcane workers here. This now furthers our obligation to continue having good results, comply with the pledge we have for this harvest, and — if necessary — produce a little more. [end recording]

Cuba: Castro Reviews Sugarcane Harvest, Results

PA2702034396 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 22 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro attended the reception held for John Savage, premier of the Canadian province of Nova Scotia, and the business mission that accompanies him. In statements to this newscast, the Cuban president said relations with Canada are going along fine and show a tendency toward increasing, adding they are characterized by mutual respect and cooperation. Fidel also praised the Nova Scotia authorities and businessmen for their interest in increasing bilateral ties.

Following a commentary on the possibilities of increasing trade with the results of a favorable sugarcane harvest, Fidel commented on the sugarcane harvest:

[Begin Castro recording] We have closely followed the sugarcane harvest all over the country, and there are a few provinces in which we are doing fine — Pinar del Rio, Villa Clara, and Sancti Spiritus. The situation in Ciego de Avila is relatively good, with some delays due to rain. Granma, Santiago de Cuba, and Guantanamo are also doing well.

A considerable number of provinces have had an excellent harvest, so we can concentrate our attention on those that have had a bit more problems, problems due to a somewhat low [word indistinct], problems for a number of reasons, for example, Matanzas. There are some minor problems in Cienfuegos, and they are doing very well in Sancti Spiritus. I had forgotten to mention they are doing well.

The yield is relatively low in Camaguey but all the provinces follow a strategy and tactics. A great effort is being exerted. If it rains in a region, then efforts [words indistinct] and they help each other. We are confident, with a certain....[pauses] There is relatively normal weather, and we trust we will carry out our plans. All we need is relatively good weather, but not a single step has been spared in any mill where something could be done.

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Furthermore, our resources are still not....[pauses] We had some reserves to [word indistinct] and transporation, some machinery has been used in those places [word indistinct].

It is too bad that we do not have even greater reserves; perhaps next year we will have better conditions [words indistinct] higher percentage of cargo and transportation to make up for rainy days. As I explained in Camaguey, mechanizing a sizable portion of the harvest makes more sense for the humidity of the soil.

That is why we must have the capacity for 100 percent, or an average percentage, of the cargo, so that cutting may be carried out on dry days, so that a higher percentage may be ground on dry days.

Also, we work at the mills with better ideas and better conditions, modernizing things as much as possible, and improving communications. We have ambitious plans to increase the mills' productivity and cut costs. [end recording]

Cuba: Report Views Agriculture Industry's Main Problems

PA2402160796 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Feb 96

[From the "National Radio News"]

[FBIS Translated Text] One of Cuban agriculture's main problems is that there is a lack of and an aging of the work force. The 150 agricultural polytechnic institutes are only being utilized to one-half of their potential, regarding student enrollment. This was confirmed by Agriculture Vice Minister Alcires Lopez Labrada. Lopez pointed out that there are almost 41,000 students — of a 70,000 capacity — in those institutes. Among other reasons, this is due to deficiencies in the attention given to the facilities and in the efforts made to increase enrollment. Lopez added, that this means that there is a substantial under use of faculty and other resources, provided by the Revolution. This also halts what the Agriculture Ministry recognizes as being the main access through which young and trained personnel come into agriculture.

[Begin Lopez recording] That is why more than help or support — sometimes both of these words are part of the agricultural worker's vocabulary — it is still the Agriculture Ministry's commitment to assure that these institutes function and function well because every time we do not do what we should at these institutes we are compromising the future. I think that today we must be concerned with obtaining food for the population. Furthermore, we must also be concerned with the future of agriculture in this country. I think that the future is symbolized today by the agricultural polytechnic institutes. [end recording]

Cuba: Raul Castro Attends Eastern Army Exercise

PA2502090196 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 20 Feb 96

[Report by Orlando Zamora and Marta Moreno; from the "NTV" newscast]

[FBIS Translated Text] [Zamora] Army General Raul Castro, minister of the FAR [Revolutionary Armed Forces], attended an exercise conducted by the commanders of several operational divisions of the Eastern Army. During his tour, he stated his interest in the status of other FAR tasks.

[Moreno] The exercises were conducted under the leadership of Division Gen. Ramon Espinosa, chief of the Eastern Army, in the operational regions of Camaguey, Las Tunas, and Holguin. The exercise focused on the work done by the command and leadership organizations during the defense preparations of the Eastern Army. The commander, the chiefs of the large units, and the provincial staffs presented detailed reports on the outline of the various missions and the adoption of decisions. The tour through different points of the Eastern Army's theater of operations enabled the minister of the FAR and his retinue to analyze the possibilities of enemy actions in the area in case of an attack. The visitors described as positive the engineering repair work carried out by the soldiers and the population in general. They also stressed the excellent condition and design of the fortifications and other works that constitute the territorial defense system.

In his long talk with the commanders and officers, Gen. Raul Castro stressed the need of continuing to anticipate and implement actions that would deter enemy attacks or that would lead Cubans to a victory should the enemy decide to destroy the work Cubans have created with so much sacrifice. The minister of the FAR and his retinue visited a fish farm in a ground artillery regiment named after Major Gen. Vicente Garcia — in honor of the fighters — in Las Tunas. Here, the visitors learned the details of the development of fish-farming and its current results. As usual, Raul Castro showed great interest in the living and working conditions of the officers and soldiers.

[Begin Castro recording] We applaud the Army, the commander, and the work by the party of the different governments represented here, without which we would have been unable to advance even a millimeter in our concept of [word indistinct] the people we began 15 years ago. [end recording]

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[Moreno] These were Gen. Castro's remarks at the Eastern Army's military council, which he attended. Division General Ulises Rosales Del Toro commented on the assessment by the minister of the FAR and other officers of the exercise conducted by the commanders.

[Begin Rosales Del Toro recording] We — and I speak on behalf of the minister — deem the results of the exercise as positive, based on the concepts, the unity observed in the work, and the assessment made of the commanders' knowledge of novel war concepts. [end recording]

[Moreno] The quality of the personnel's readiness, the high level of reliability achieved in the care of weapons and techniques, as well as the progress recorded in food production were stressed throughout different speeches, particularly the one by Army Chief of Staff Brigadier Gen. Urbelino Betancourt. Two million men and women were trained, while 16 municipalities and 490 defense zones were declared functional for defense operations in the second phase. In addition, 370 million trees were planted, and 235 km of roads were completed. Referring to the continuous strengthening of the Army, Gen. Raul Castro pointed out that to continue to maintain its independence and sovereignty, Cuba must continue to consolidate its defense so that its enemies will know that to destroy the revolution, they will first have to destroy the FAR and a considerable number of Cubans.

The debate on natural medicine and acupuncture constituted other topics of interest. The speech by military medicine cadet Rodolfo Arencibia was very appropriate as he stressed the need to continue training medical personnel on the use of traditional medicines.

[Begin Arencibia recording] The director asked me to tell the commander that we are working and that many [word indistinct] have been recovered, while others are under investigation. Even the plants [word indistinct] have undergone quality control. I brought some people from the Ministry of Agriculture so that they could see that even after 100 years, there are plants [word indistinct] that still conserve the [word indistinct] principles. [end recording]

[Moreno] During the meeting, the minister of the fishing industry spoke about the development of this activity in the territory, while the minister of finance and prices discussed the financial situation in general and of those provinces that constitute the Eastern Army. Carlos Diaz and Michael Enamorado, the presidents of the provincial defense councils of Camaguey and Las Tunas, respectively, referred to the situation in their territories, particularly the measures that guarantee the fulfillment of goals for the sugar harvest.

At the end of this military council, Gen. Castro praised the Army again for completing a significant number of tasks and acknowledged the excellent work by the party. Div. Gen. Ramon Espinosa conveyed his regards on behalf of the Eastern Army to Commander of the Revolution Juan Almeida on the occasion of his birthday.

Cuba: 'Record Number' of Long Distance Calls in 1995

PA2402175596 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 21 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Cuba halted the telephone system's deterioration in 1995, and is now advancing to achieve quality in this indispensable service. Camaguey is among the most outstanding provinces in this regard.

In 1995, The Cuban Communications Enterprise (ETEXA) ended its first year of operations with a record number of long distance calls — over 27 million — thus, exceeding the goal for the period. This fact indicates the ongoing recovery of the telephone system, which reported its previous historic highest record of 25 million calls in 1991.

Currently, 47 of the 77 telephone centers nationwide broke their previous call records.

[Begin recording] [Unidentified official] We can say with satisfaction that we have halted the deterioration of the telephone system. In addition, there has been an increase in quality when compared with 1995. This is still not very apparent to many people who use our service, however, the service is improving, and we are sure that it will be better in 1996.

[Reporter Ernesto Pantaleon Medina] I was noticing that despite the fact that the sector employs many women, absenteeism has decreased.

[Unidentified official] This has been one of our biggest accomplishments. I was mentioning other improvements such as service quality, but work attendance is also very important. Added to work force stability, the biggest improvement has been the increase in the number of calls, which has increased 10 fold. Worker absenteeism in our telephone centers declined from approximately 20 to two [figures as heard]. [end recording]

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Cuba: Guantanamo Health Director on Medical Coverage

PA2402163396 Havana Radio Rebelde Network in Spanish 1255 GMT 19 Feb 96

[Report by correspondent Eva Alvarez Carvajal in Guantanamo, from the "National Radio News"]

[FBIS Translated Text] We will discuss Guantanamo's medical coverage with the province's health director (Dr. Giovanni Venicia Coba)

[Begin Venicia recording] Coverage is 98.1 percent at this time in Guantanamo. There are over 1,800 doctors in the province — 1,017 family practice, and 823 general practice doctors, also 386 doctors participate in the Turquino plan.

In addition, medical training is now available in some municipalities, such as Maisi, Yateras, Imias, San Antonio del Sur, and El Salvador, which did not have this option in the past. Thus, these municipalities can now provide more coverage, improve the quality of the service, and particularly, consolidate the work. And, as you know, coordination of the health and education systems, and all general elements involved in the analysis of the particular health situation, and quality of the medical services in each province, allows to improve health indicators.

Guantanamo ended 1995 with a 10.1 mortality rate, lower than the 10.6 mortality rate at the end of 1994. To add to our success, we are analyzing the principal elements to include in a joint plan to stabilize the maternal-infant plan, and we hope that the balance will bring us up to the national average. [end recording]

Cuba: Investigation Into Rash of Burglaries Continues

PA2402175696 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 21 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] The crimes committed by a band of thieves operating in Pinar del Rio did not go unpunished. Once again, the efficient work of the provincial police force prevented further burglaries.

Cuban revolutionary police forces and the technical investigation department recently dismantled a 11-member band of thieves, responsible for eight burglaries in occupied houses, which took place between August and December 1995 in different locations in Pinar del Rio. The thieves were specifically after valuable artwork, such as paintings and ceramics, however, as shown in the video, they took whatever they could find.

Second Lieutenant Felix Redone talks about the proliferation of these burglaries, and some of the causes:

[Begin Redone recording] Currently, this type of crime has increased, specially in Pinar del Rio city. We advise citizens to take preventive measures, to reduce the chances of being robbed. [end recording]

The band stole approximately $50,000 worth of artwork. Mayor Lorenzo Castillo explained that not all the stolen goods were recovered during the course of the investigation because relatives of some of the people detained burned the paintings to get rid of the evidence. The investigation of this case of serial burglary is in its final stage.

Cuba: Police Official Discusses Bribery, Theft Incidents

PA2702045696 Havana Radio Rebelde Network in Spanish 1255 GMT 21 Feb 96

[Interview with Captain Angel Diaz, from the Cuban national revolutionary police directorate, by unidentified reporter; date and place not given; from the "Doing Radio" program — recorded]

[FBIS Translated Text] [Reporter] Captain, what do you have for us today?

[Diaz] Good morning to you and all listeners.

[Reporter] Good morning.

[Diaz] Before reporting on cases solved by the police, I will begin by telling about a recent case that took place in Plaza municipality. It was a case of attempted bribery [words indistinct] that was uncovered by our people, the majority of our people who refuse to be bribed, or dumbfounded by the goose with the golden eggs. In this particular case, a chief of sector cited a woman who tried to bribe him by offering a certain amount of dollars. The chief of sector, of course, refused the bribe, and the citizen is currently being prosecuted.

There was another case in which a citizen driving a motorcycle ran over another person and also tried to bribe a policeman who witnessed the accident with a certain amount of dollars, to stop him from filing a report. The policeman also refused the bribe, an indication of the values that Cuba has created, and the true feelings inside all of us.

[Reporter] Yes, I believe that these cases that you cited are refreshing, among other things because [words indistinct] there is a conflict in our country between the ethical values that sustain the independent future of our nation and other values that have have nothing to do with our revolutionary ethics, but with bribery

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instead, and the belief that people are worth what they own instead of what they are. Therefore, these cases are evidence of the pure values that are still present in the majority of our people.

[Diaz] I agree, and for this reason I brought them up. I would also like to continue broaching the traffic issue. There are still state-owned vehicles left in places that do not offer protection. Thus, the theft of these vehicles goes on, and the police continue to go after the thieves. We have discussed this topic in the past. We also cautioned state entities that leave state vehicles in unsafe places, giving thieves a chance to commit crimes.

In addition, 55 drivers' licenses were revoked — just in Havana — from reckless and undisciplined drivers, and the police continue this work.

Last, I also want to mention cases that have been resolved, such as one that took place in Diez de Octubre municipality, in which three people broke into a house in the Santos Suarez neighborhood. It was a home burglary with the use of force, during which one of the criminals was dressed in a fake police uniform — olive green, as a [word indistinct] uniform. The thieves took clothes and money from the house. Immediately, an operations team was created, the operations forces arrived at the site, and took charge of the investigation. The police conducted criminal forensic tests, arrested one of the thieves in the next 72 hours, and the others were captured later. They also recovered a large portion of the articles stolen from the house.

In another case, two people committed aggravated theft [robo con violencia] on the highway close to Varadero. The police were able to capture those responsible for the crime — Eduardo Suarez Rodriguez and his brother — in less than 72 hours, and recover the stolen objects.

[Reporter] It is really very reassuring to see that the police continue to be so effective when most of our people are working for the benefit of the Cuban nation.

Cuba: Combine Drivers on Success in Cutting Sugarcane

PA2502093096 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Feb 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Reporter Carlos Sanabria Marrero spoke with KTP-2 combine drivers, who have reached the million mark in their sugarcane cutting efforts, at the Julio Antonio Mella Sugarcane Complex in Santiago de Cuba Province.

[Begin recording] [Angel Luis Gallarde Castillo] During the eight years that I have been cutting cane with the combine, it is a tradition for me to cut a million arrobas of cane. I am almost used to it. It has been easier to achieve this year. The equipment is more resistant and — with the drivers' help — it can yield much more than it has up to now.

[Sanabria] Let's ask another comrade, how is the harvest going and what is your name?

[Unidentified speaker] [Words indistinct]

[Sanabria] I was asking how is the harvest coming along? Are you cutting the cane nice and low?

[Unidentified speaker] Yes, very low.

[Sanabria] I have heard that these machines give off a little bit of strange materials.

[Unidentified speaker] Yes, they do. However, if we regulate them a bit more they cut more cane. In any case, they are good combines and they maintain the cutting grade we regulate them for.

[Sanabria] What is your name?

[Diaz] Arturo Diaz Torres.

[Sanabria] How many harvests have you been involved in as a combine driver?

[Diaz] Five harvests.

[Sanabria] What is your average?

[Diaz] Nineteen thousand.

[Sanabria] Do you think you can obtain more?

[Diaz] Yes, of course.

[Sanabria] How?

[Diaz] With more effort, good maintenance, and by paying more attention to the cutting. [end recording]

Cuba: Roundup of Economic Developments Through 27 Feb

PA2802024296

[FBIS Report] The following is a compilation of reports on economic developments in Cuba monitored through 27 February.

Cuba has obtained international loans to recover the rice production sector. This crop's recovery is important to the Cuban economy because the metric ton of rice exceeds $400 on the international market. Domestic rice consumption in Cuba totals 500,000 metric tons a year. Local rice production has improved during 1996 compared with the early 1990's, with 100,000 metric tons harvested so far. Some 11,000 hectares of land

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are expected to be planted with rice this year. (Havana Radio Havana Cuba in Spanish 0000 GMT 16 Feb 96)

Workers from the Ruta Invasora rice mill in Camaguey Province have completed their winter planting of 470 caballerias of rice. They are gearing up to finish planting 500 caballerias by 20 February. This is the equivalent of 80 percent of all the rice grown in that territory during 1995. Workers hope to raise the yield per caballeria by 300 quintals with improved efficiency. Workers, therefore, hope to harvest 1300 quintals per caballeria. The Camaguey rice planting plan for 1996 is double that of 1995. (Havana Radio Rebelde Network in Spanish 1800 GMT 26 Feb 96)

Haiti

Haiti: Smarth's Ratification Process Continues

PA2802005596 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Feb 96

[Report by Yvener Millien; from the "Waking Up Newscast" — recorded in Creole]

[FBIS Translated Text] [Millien] The president of the commission studying the file of the prime minister, Deputy Alix Germain, told the press that the prime minister's file is complete and that they are adding the final touches to it. Thus, Deputy Germain has told us that the works are going pretty well. Tomorrow, Tuesday, 27 February, they will present a report to the assembly of deputies who will decide whether they will ratify Prime Minister Rosny Smarth or not.

[Germain] The work is going pretty well. As I said lately, we planned to present the report before the assembly — as I said — on Tuesday, tomorrow. Well, I think we will add the final touches today so we can finish with the job and actually present the report tomorrow before the assembly.

[Unidentified reporter] [Words indistinct] complete?

[Germain] Well, are they complete? I cannot yet say if they are okay. The report we will present tomorrow will allow everybody to know whether they are okay or not.

[Millien] As I just said, the president of the commission in charge of studying the file of the prime minister, Deputy Alix Germain, was talking before the microphone of the journalists. We are reminding you that the commission studying the file of the prime minister includes Deputy Alix Germain, Deputy Jean-Rhode Guerrier Delon Louis, Deputy (Antoine Axmen), Deputy Dunois Belizaire, and Deputy Ducatel Gabriel.

According to a reliable source, the senators are going to form the commission aimed at studying the file of the prime minister during a session to be held today. This was Yvener Millien from the Haitian Parliament for Signal FM.

[Announcer] This was an information flash that was communicated to us by Yvener Millien yesterday from the Haitian Parliament at the conclusion of this decision made by the parliamentarians to verify, and to examine the files of the prime minister-designate, Rosny Smarth.

Additionally, the vice-president of the commission in charge of examining the file of the prime minister-designate, Deputy (Axene Edouard) announced for his part that his commission is now working on the question of double nationality of Rosny Smarth. According to Deputy (Axene), the parliamentarians of the commission evoke Article 13.-2 of the Constitution stipulating that any Haitian who has held a political post in a foreign country loses his nationality.

Haiti: Senate Commission To Study Smarth's Files

PA2802024496 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Feb 96

[Report by Yvener Millien; from "The Waking Up Newscast"]

[FBIS Translated Text] [Announcer] A senatorial commission has been formed to study the files of Mr. Rosny Smarth. The Senate of the Republic on 26 February began the ratification process for the prime minister-designate. The senatorial commission of four senators is due to present its report on Mr. Smarth's files to the senators today. According to Senator Wesner Emmanuel, the ratification process of the prime minister-designate will not be long coming at the Senate of the Republic. Let us listen to Wesner Emmanuel at the microphone of Yvener Millien.

[Begin recording, in Creole] [Millien] What is the deadline you have given yourselves to [words indistinct]?

[Emmanuel] We will not leave here without finishing. If there are problems, we will call him on the phone to tell him: Such and such document is missing, send it to us quickly so we can make our report to the assembly quickly.

[Millien] So, between now and the end of the week, you are supposed....

[Emmanuel] It is not a question of the end of the week, we must do it this afternoon, prepare the report tomorrow, and if — necessary — have him come tomorrow for ratification. He should then appear immediately for his statement of general policy. [end recording]

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Haiti: Werleigh Self-Assessment on Work as Prime Minister

PA2902033196 Port-au-Prince Signal FM Radio in Creole 1230 GMT 28 Feb 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The outgoing prime minister, Claudette Werleigh, said yesterday that she is satisfied with the assessment of the 100 days of the governmental team. At the same time she acknowledged that there are still many problems in the country. She presented an assessment yesterday and said: We are leaving with pride after having accomplished our mission.

Claudette Werleigh recalled that she became prime minister in a very explosive and even difficult sociopolitical and economic context when the question of privatization was raised at the end of Smarck Michel's term. The outgoing prime minister congratulated herself for having calmed the spirits without giving up. The other accomplishments of her term include the financial agreement signed with the international sponsors in the field of electric energy, agriculture, and road infrastructures. The realization of the general elections and fiscal control are the major points of the assessment presented by Werleigh. She did not forget the restoration of relations with Cuba and the reinforcement of the ties between Taiwan and Port-au-Prince.

[Begin Werleigh recording, in progress] ...opening of negotiations in a framework of cooperation with the Dominican Republic, restoration of the diplomatic relations with Cuba, revitalization of cooperation with Taiwan, signing of two contracts for the rehabilitation of the energy sector, signing of a draft treaty with Canada aimed at increasing the power of the thermal power station of Varreux, signing with the cooperation agencies of an agreement on food safety, mechanisms set up, concerted action meetings with the ministries directly concerned. [words indistinct] until last Sunday there was the physical presence of a technical mission that is in... [pauses] that is already working with the Health Ministry. A technical mission from Taiwan is working with the Ministry of Agriculture. In electric power, works are being done... [break in transmission] [end recording]

Haiti: Preval's Request Facing 'Difficulties' at UN

PA2802024396 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Feb 96

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] The mandate of the UN Mission in Haiti [UNMIH] will officially expire this Thursday. However, a request by new Haitian President Rene Preval is currently the subject of a meticulous study at the UN Security Council. Difficulties seem to have arisen as to a positive answer to President Preval.

U.S. Ambassador to Port-au-Prince William Lacy Swing has reacted by saying that he is optimis[illegible]hat a decision in favor of Haiti will be adopted ver[illegible]on. [passage omitted]

Haiti: Preval To Visit Dominican Republic 'Next Month'

PA2802011096 Port-au-Prince Signal FM Radio in French 2000 GMT 27 Feb 96

[FBIS Translated Text] President Preval will be in Santo Domingo next month. Dominican President Joaquin Balaguer confirmed today that his Haitian counterpart will officially visit the Dominican Republic during the upcoming month of March. In an address to the nation, President Balaguer said that this visit will be used to reinforce the links between his country and Haiti so there can be peaceful and brotherly relations.

Haiti: 'Tense Situation' in Port-au-Prince School 27 Feb

PA2802015896 Port-au-Prince Signal FM Radio in French 2000 GMT 27 Feb 96

[FBIS Translated Text] There was a tense situation this morning at the premises of the Alexandre Petion Public High School. The tension went up a notch when the students of this high school began a protest movement due to a heap of trash dumped in front of the main entry to the public high school. The National Policemen, who wanted to restore calm, fired several shots in the air, which gave rise to a reprisal from the students, who hurled stones at the policemen. Then, the latter surrounded the whole area to restore order. Two students were injured during this incident.

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Mexico: U.S. Asked To Extend Permits to Truckers

PA2602224696 Mexico City LA JORNADA in Spanish 22 Feb 96 p 47

[Report by Victor Cardoso]

[FBIS Translated Text] The Communications and Transportation Secretariat (SCT) has asked the U.S. Government to extend permits to Mexican trucks that meet the safety, weight, and dimensions requirements, until the controversy is resolved regarding the opening of truck transportation in the border states of the two countries under the conditions outlined in NAFTA.

According to SCT authorities, many of the vehicles operating in the "commercial" border strip come from the United States and even use that country's license plates to circulate on both sides of the border.

The sources said that the request made to the U.S. Government has the backing of 30 Mexican companies that own vehicles that can meet U.S. requirements and that have been individually filing for operational permits in the neighboring country.

Despite the postponement in the opening of the two borders, Mexican authorities confirmed that a legal solution will be found to continue with the NAFTA timetable. The Mexican Government's stance, the sources said, is that the agreement must be complied with, and that will be discussed in the panels that were requested to finally resolve the controversy.

Based on official figures, there are 300 companies involved in truck transportion across the border, and 95 percent of them own vehicles that meet U.S. safety requirements. Based on this factor, the SCT representatives feel there are no arguments for U.S. transportation authorities to continue refusing access to Mexican vehicles on the border states, as should have happened on 18 December, as foreseen in NAFTA.

In fact, Mexican authorities noted, the U.S. Government argued, among other things, that the border closing would be temporary and serve to observe how the safety conditions of Mexican trucks evolved.

They recalled that as preparation for the opening of truck transportation, the state of California, for instance, invested $30 million in equipment to expedite inspection, and in Arizona, the paperwork was streamlined. This was not the case in Texas, where since November, stricter requirements began to be enforced to allow Mexican vehicles into the border's 15-mile "commercial zone," and these are still the most stringent requirements for entering vehicles.

Mexico: Mutual Assistance Agreement Signed With UK

PA2902011896 Mexico City NOTIMEX in Spanish 1717 GMT 27 Feb 96

[FBIS Translated Text] Mexico City, 27 Feb (NOTIMEX) — The governments of Mexico and the United Kingdom have signed an agreement of mutual assistance to investigate, secure, and seize criminal products and instruments, not included in the traffic of drugs.

The Mexican Foreign Relations Secretariat disclosed that the agreement seeks to establish a legal framework of reference that allows the parts reciprocal assistance in the investigation and procedures related to criminal activities.

The Attorney General's Office and the British Interior Ministry will be responsible for the implementation of the agreements and the formulation of the respective requests for assistance, information, content, and denegation, among others.

The document, signed by Mexican Foreign Secretary Jose Angel Gurria and British Ambassador to Mexico Adrian Beamish, includes assistance to trace, secure, and seize criminal products and instruments.

Gurria stated Mexico's conviction to fight drug trafficking through international cooperation, respecting the sovereignty, jurisdiction, and the resources each nation can contribute for this purpose.

In addition, he confirmed President Ernesto Zedillo's commitment to fight drug trafficking as an indispensable requirement to ensure "national security, the health of the Mexicans, and the solidarity with the international community."

The Mexican Government proposed to Congress a bill on Public Security and the inclusion of the crime of money laundering in the Penal Code, Gurria recalled.

The British diplomat stressed that Mexico is the first Latin American nation to sign an agreement of this sort with his country, but he stated his confidence that other nations in the continent will sign similar agreements soon.

The agreement signed constitutes an addition to the efforts undertaken by Mexico and the United Kingdom in matters of mutual assistance aimed at ensuring an effective and expeditious administration of justice, the Foreign Secretariat concluded.

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Mexico: Zedillo, Guatemala's Arzu Sign Four Accords

PA2902012096 Mexico City XEW Television Network in Spanish 0400 GMT 27 Feb 96

[From the "24 Hours" newscast]

[FBIS Translated Text] Mexico and Guatemala must play a more active role in contributing to the development of Central America, the Mexican president affirmed today.

Guatemalan President Alvaro Arzu this Monday began a two-day official visit to Mexico. Mexico is the first foreign country Alvaro Arzu has visited as Guatemalan president. Accompanied by his wife Patricia Escobar, Arzu was received at the National Palace by President Ernesto Zedillo and his wife Nilda Patricia Velasco.

Upon welcoming Arzu, President Zedillo told him that the most effective struggle against drug trafficking is based on cooperation, confidence, and respect for national sovereignty.

[Begin Zedillo recording] We share the awareness and conviction that the seriousness of this phenomenon requires a comprehensive strategy, not individual actions; it requires cooperation, not recrimination; it requires coordinated actions, not accusations against others for responsibilities we must all assume. [end recording]

At the National Palace, the presidents of Mexico and Guatemala held the first round of talks. Before noon, Alvaro Arzu received from the Federal District mayor a certificate and the keys to the city.

In the altar to the fatherland, President Arzu placed a wreath and held a guard of honor. In the afternoon, Arzu met with the Guatemalan community in Mexico.

At the Adolfo Lopez Mateos Room in Los Pinos Residence, the presidents of Mexico and Guatemala signed a joint communique and four cooperation treaties regarding juridical affairs, criminal affairs, tourism transportation, and for the peaceful use of nuclear energy.

President Arzu stated:

[Begin Arzu recording] I believe we have taken a very important step toward that promising future we all want, especially Guatemalans, with a big brother we are confident sees us as a friendly country. [end recording]

The communique establishes the intention of increasing commerce between Mexico and Guatemala until a free trade agreement is signed. In addition, it deals with such issues as the fight against drug trafficking and illegal gun running activities.

President Zedillo ratified Mexico's determination to continue to support the communities of Guatemalan refugees and to favor their voluntary repatriation. President Arzu later held a news conference.

This evening, President Zedillo is hosting a dinner in honor of the Guatemalan president at the Chapultepec Castle.

Mexico: 1995 Gross Public Foreign Debt $101 Billion

PA2702050296 Mexico City EL FINANCIERO in Spanish 19 Feb 96 p 4

[Report by Alicia Salgado]

[FBIS Translated Text] By the end of December 1995, the balance of Mexico's gross public foreign debt reached $100.9337 billion, which represents an 18.13-percent increase, in nominal terms, compared to December 1994, when the balance amounted to $85.4358 billion.

In addition, the total gross foreign debt amounts to 40.7 percent of the GDP, and added to the domestic debt, which represents 6.9 points of GDP, the balance of the total public debt amounts to 47.6 percent of the total made by the Mexican economy last year.

According to the public debt report submitted by the Secretariat of Finance and Public Credit (SHCP) to Congress, $25.3253 billion were amortized, while $6.3319 billion — 7.9 percent of the annual exports reported last year — were paid in interest payments last year.

The total of outlays allocated for servicing the foreign debt (amortizations of capital plus interests) amounted to $31.6572 billion.

Meanwhile, the balance of resources used from the $50.5374-billion financial assistance package obtained from the international community to overcome the liquidity crisis that ensued following the devaluation of December 1994 amounted to $26.797 billion in 1995.

Of this balance, the federal government used $11.7729 billion and the Bank of Mexico (Banxico), $15.0241 billion.

In addition, $6.5219 billion were obtained through 15 issues of public debt in international markets. Of this total of $6.5219 billion, $4.7235 billion were issues by the federal government; $895.9 million by the National Finance Bank; $769.5 million by the National Foreign Trade Bank of Mexico; and $133 million by Mexican Petroleum (Pemex).

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Regarding the endorsement granted by Congress to the government to acquire additional debt to overcome the crisis and liquidate the Tesobonos [Treasury Bonds], $28.9485 billion of the Tesobonos were amortized by the end of 1995. Thus, the commitment that its balance not surpass 15 percent of the value of the public debt in 1995 was fulfilled. However, if we bear in mind the balance of the debt acquired by the Banxico from the IMF for $13.0241 billion to strengthen the international reserves, the contraction of the debt surpassed the $26.5 billion stipulated in Article No. 2 of the Revenues Law as the ceiling for these operations.

According to the SHCP, the total foreign debt in 1995 amounted to $39.7708 billion and the net foreign debt of the Mexican public sector amounted to $14.4455 billion minus amortizations of capital.

The SHCP attributes the foreign debt's growth last year to the use of resources coming from the financial package, the issue and placement of bonds in the international markets, and the granting of bank credits by the World Bank and the IDB [Inter-American Development Bank] to strengthen the financial system.

In the last quarter of 1995, net foreign indebtedness amounted to $5.1103 billion, as $10.4144 billion were made available and $5.3051 billion were amortized between October and December. The federal government contracted a debt for $3.8104, the development bank, for $1.1419 billion, and the organizations and companies (Pemex), for $158 million.

Of the outlays, $6.7261 billion came from short-term revolving credits and $3.6883 billion from long-term credits.

Concerning the makeup of the foreign public debt, the SHCP disclosed that 77.1 percent constitutes debt incurred by the federal government; 11.6 percent by the organizations and companies; and the remaining 11.3 percent by the development bank.

In addition, by creditors, the United States holds 32.9 percent of the Mexican debt; the World Bank and the IDB, 18.6 percent (this does not include the debt with the IMF contracted by the Banxico); Japan, 14.5 percent; United Kingdom, 8.9 percent; France, 4.6 percent; Germany, 4.2 percent; Canada, 3.5 percent; Switzerland, 3.3 percent; Spain, 1.8 percent; Netherlands, 1.4 percent; and a group of 36 countries, 6.3 percent.

By currencies, 67.5 percent of the debt was contracted in dollars; the money basket (credits by the IDB and the World Bank), 18.5 percent; 6.2 percent in yens; 2.6 percent in German marks and francs; 0.8 percent in Italian lires; and 0.5 percent in pounds; and 1.2 percent in other currencies.

Arranged by maturity dates, the short-term liabilities of the public foreign debt increased as they went from $3.5021 billion to $7.1963 billion between December 1994 and December 1995, excluding the Tesobonos, which are instruments pegged to the dollar, but registered as domestic debt.

By late December, 18 percent of the debt will have to be paid in a single amortization in the year 2019 (the renegotiated debt); 68 percent will mature in the coming 12 years; and the remaining 32 percent, which includes the Brady bonds, will mature in up to 34 years.

Mexico: Finance Secretariat on Macroeconomic Goals

PA0103021496 Mexico City EL FINANCIERO in Spanish 28 Feb 96 p 4

[Report by Alicia Salgado]

[FBIS Translated Text] Mexican Finance Secretariat [SHCP] sources have said that monetary and fiscal goals will remain unchanged and that the Mexican Government has made no adjustment its to macroeconomic goals, either.

The sources said that, although economic agents and leading local and international consulting offices expect a higher inflation and a lower growth rate this year, "the projected inflation is still 20.5 percent and the economic growth rate 'at least' 3 percent."

The sources also said the expenditures schedule, which involves the release of 25 percent of the budget resources, will be followed during the first quarter this year.

The sources admitted that "a delay in the public expenditures schedule" occurred in January, but that 138 billion pesos will be disbursed before the end of March.

The rest of the budget expenditures will be distributed like this: 17 percent between April and June, so 46 percent of the expenditures will have been disbursed at the end of the semester. The remaining 60 percent will be distributed after July.

The high-level sources told EL FINANCIERO that the investment expenditures, estimated at 87.947 billion pesos, will be concentrated in the first semester of the year for the purpose of creating the economic impetus scheduled for the second semester of 1996, yet within strict monetary and budget discipline.

In the Bank of Mexico, the sources consulted said that, although the January inflation was according to expectations, "the agents' expectations were higher" and, despite the effect of transport and telephone rate

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increases, for instance, the monetary program for the first quarter remains the same: Net internal credit of less than 1.150 billion pesos and a monetary base of less than 5 billion pesos, because "these bases respond to the expected demand for bills and coins and expected variations in international assets."

Minimum Salary Raise Officially Studied

Asked about probable variations in the commitments made in the Agreement for Economic Recovery [Apre], SHCP officials admitted that "a 5-percent increase in the minimum wage in addition to the 10-percent raise planned for the month of April is being negotiated with the labor sector."

The officials also said that the possibility of sending a reform proposal to the Legislature in April to stop withholding income tax from workers earning the equivalent of between three and four minimum-wage salaries (those who earn the equivalent of one or two minimum-wage salaries are tax exempt), measures they regard as of "scant fiscal and monetary impact."

The officials said that this last measure's impact on the public budget revenue would of necessity have to be "adjusted" in the line of disbursements, but that the adjustment would not be large and would make it possible to benefit nearly 7 million workers.

Regarding the possibility of increasing the minimum wage by an additional 5 percent, finance authorities admitted that their problem is "the impact on inflationary expectations because although it only benefits less than 10.4 percent of the PEA [population economically active], comprised of 35 million workers, it is a base indicator for general price fluctuations."

That is why, authorities observed, negotiations with the labor sector endeavor to reduce any impact that a "wage adjustment can have over the inflationary expectations of economic sectors."

They added that last year, for example, minimum wages were hiked 19 percent and contract workers received an average hike of 13 percent a year. "The contract wage is the most acceptable to be able to take into account the inflationary impact on the labor factor."

It should be noted that the negotiations with the labor sector conform to a number of demands made between the second week of January and the latter part of last week. The demands arose because there was a severe lag between income and the official 1996 inflationary expectations.

First, labor leaders demanded the liberalization of wages and later, they requested a sliding wage scale based on the monthly increase in prices. During the first week of February, they also proposed an additional 10 percent emergency increase be scheduled for April.

The week before last, the proposal was modified and labor requested that the hike be given in March, with the possibility of reviewing a new hike close to September or October 1996. Finally, the labor sector requested that workers who earn less than the equivalent of four minimum wages not have to pay ISR [income tax].

In the course of the negotiations, which have been ongoing for six weeks now, the economic sectors and main national and foreign brokerage firms have expressed their opposition to "any additional increase to the minimum wage" because they believe that its impact on the economic program "would be disastrous" as the inflationary expectation would be altered and already it is 10 percent away from the official goal.

Mexico: Zedillo Advocates Democratic Political Reform

PA0103001696 Mexico City NOTIMEX in Spanish 2110 GMT 27 Feb 96

[FBIS Translated Text] Mexico City, 27 Feb (NOTIMEX) — President Ernesto Zedillo stated today that the electoral reform being debated by the political parties comprising Congress cannot be held hostage by internal strifes or related controversies. The electoral reform cannot be constructed by pushing officials around, breaking powers, using forceful measures, or catering to the interests of a certain group but, rather, on democratic practices and attitudes," Zedillo stated.

During the inauguration of the 55th Annual Regular General Assembly of the National Chamber of the Manufacturing Industry, Zedillo said the Federal Government maintains and reasserts its call for responsible and fruitful dialogue. Zedillo underscored that "the government respects and is open to different opinions, and it is determined to strengthen the democratic coexistence of all the political parties and social organizations in order to consolidate a political culture."

During the political reform of the state, Zedillo noted, the government will uphold and honor its democratic conviction and the move toward the country's comprehensive political development.

Zedillo pledged to hold the 1997 federal elections under circumstances guaranteeing their lawfulness, fairness, honesty, and reliability. He added that a permanent electoral reform is a fundamental part of state reform. The government has pushed it without reservation or hesitation for over a year and finds it a necessary and pressing step. The president recalled that since taking

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office he has called for a reform that will lead to a total democratic development.

On 17 January 1995, Zedillo and representatives from the Institutional Revolutionary Party, Party of the Democratic Revolution, National Action Party, and the Labor Party signed a preliminary agreement on state reform.

Among other things, the state reform seeks a new electoral law that will guarantee the lawfulness, fairness, and honesty of the elections and the immediate resolution of any postelectoral conflicts.

During the meeting with top Mexican businessmen, Zedillo also affirmed that the recovery will begin this year. But in order to achieve economic recovery, everybody should fulfill their commitments with the Alliance for Economic Recovery [ARE]. Zedillo said that a commitment within the ARE framework includes the promotion of mechanisms, such as the National Council of Micro, Small, and Medium-Sized Companies, which will help prepare the sectorial program on industrial policy to be announced later.

For his part, Victor Manuel Terrones, outgoing president of the National Association of Manufacturers, pressed for a promotion and development law on which the country's new industrial policy can rest. Terrones explained that in 1995 the Chamber was the first to come up with a proposal for a new industrial policy with the input of thousands of industrialists. They answered the call to design the type of policy and tools needed on industrial matters. He added that a high social price was paid in 1995 in order to restore the conditions for the adequate running of the Mexican economy.

Terrones went on to say that "we are responding to the challenges created by the crisis, starting by strengthening the social sectors, renewing our commitment with the industrial sector, and improving and broadening our service and representative roles in dealing with the state." He added that a long and unfinished road lies ahead, so the current economic circumstances should be used to consolidate the changes made on fiscal matters, domestic savings, financial reordering, deregulation, and economic simplification.

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Panama

Panama: U.S. Ambassador Cited on Samper, Decertification

PA2902163396 Panama City LA PRENSA in Spanish 29 feb 96 p 1

["As of Today" editorial column]

[FBIS Translated Text] The requests by U.S. Ambassador to Colombia Myles Freschette and by Robert Gelbard, assistant secretary of state for international drug-traffic matters, that Colombia not be granted a certification attesting that it cooperates in the anti-drug struggle, leaves no doubt that the certification will not be granted. The economic consequences of this would be very severe, both in the form of direct U.S. aid that will not be received, and in the financing of international credit institutions. Jesse Helms, chairman of the Foreign Relations Committee of the U.S. Senate, put it clearly when he said that President Ernesto Samper's resignation "would be the best thing that could happen to Colombia." This is right. There is no sense in condemning Colombia to a prolonged economic and institutional agony until a complex political trial, whose results will be questioned by one side or another, is resolved. The point no longer is to find out whether Samper is innocent or not of allegedly financing his campaign with drug-trafficking money. This could be cleared up later, once the political future and economic stability of the country are no longer at stake. Samper is not efficient as president. He must admit this with honor and resign and, later, once Colombia has overcome this terrible crisis, justice will determine his responsibilities. This is his moral obligation as a politician and as a citizen.

Panama: U.S. Ambassador on Panama's Certification

PA2902190096 Panama City LA PRENSA in Spanish 29 Feb 96 p 1A

[Report by Lastenia Murillo and Manuel Alvarez]

[FBIS Translated Text] U.S. Ambassador William Hughes announced yesterday that within the next few days, the U.S. Government will give Panama a certification confirming its cooperation in the international fight against drug trafficking.

"In my opinion, Panama has done a good job, like other countries, within the international community in the fight against drugs, " the ambassador said.

Hughes made these statements before meeting with local businessmen with whom he examined the U.S. fight against drugs.

He said Panama understands very well the ramification of these problems; "therefore, I believe that the efforts that Panama has made to cooperate and help will be recognized within the next few days. [no end quotation mark as published]

Hughes reiterated that Panama will be certified as a country that cooperates in the fight against drug trafficking.

According to the U.S. ambassador, Panamanian Attorney General Jose Antonio Sossa made this point clear in his recent statements to the news media.

Hughes stated, "We clearly understand that Panama is cooperating very well with the United States and other countries."

He added that during the short time he has been in Panama, he has observed "good cooperation" from the authorities of the Judicial Technical Police (PTJ) and other organizations of the Panamanian Government in the fight against drug trafficking."

In addition, the U.S. ambassador said U.S. Secretary of Defense William Perry will visit Panama in mid-March.

"It will be a courtesy visit, particularly to the U.S. Southern Command, during his tour to various Latin American countries." So explained Hughes, although he did not indicate what other nations this U.S. official will visit.

Panama: CIA Proposal To Use Journalists as Spies Viewed

PA2502001996 Panama City LA PRENSA in Spanish 24 Feb 96 p 1a

["As of Today" column]

[FBIS Translated Text] The Central Intelligence Agency (CIA) of the United States was established in 1947, amid a climate of political hysteria. A conflict between the superpowers, in which they would destroy each other, was anticipated. This did not happen and based on the concept that the end justifies the means, the CIA started to rapidly organize coup d'etats and electoral frauds, placed informants such as Manuel Antonio Noriega into its payroll, sponsored mercenaries and assassins such as Roberto D'Aubuisson, financed civil wars, and participated in drug trafficking activities and any other immorality its agents could think of. It did all this in the name of defending the free world and the security of the United States. The end of the Cold War left the CIA without a reason to exist. However the Clinton administration is now promoting the idea of using U.S. journalists as spies. If such an idea is authorized — even for the special cases mentioned by the CIA director —

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international journalism, freedom of expression, and the credibility of the media will be respected even less than it is now. Political mediocrity and the need to justify the monster of the spy world, the CIA, has led it to betray its alleged democratic faith. To add to this injury, the affront to freedom of expression will weaken the foundations of free societies; a crass error for which we will all pay, including the United States.

Panama: Report on U.S. Bases 'Littered' With Ammunition

PA2502092496 Panama City EL PANAMA AMERICA in Spanish 22 Feb 96 p 1

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] A study prepared by private economists warns that close to 35 percent of the U.S. military bases, which will revert to Panama in the year 2000, are littered with live ammunition and that the clean-up will cost Panamanians approximately 100 million balboas.

One of the authors of the study, Marcos Fernandez, has asserted that out of the 27,000 hectares occupied by the military bases, 10,000 hectares are used for the Empire Range, Balboa, and Pina shooting ranges and contain live ammunition three meters deep.

Fernandez and Jose Galan Ponce were hired by the government to make a study on the best uses for the bases once they revert to Panama. The study is vital for the start of Panama's talks with the United States on the possible stay of the latter's troops in Panama after the year 2000.

"More than a short-term development potential for the country, those hectares represent approximately 100 million balboas in expenses," Fernandez maintained.

He said the advances made by land squatters in the Empire Range area — still under U.S. jurisdiction — are serious and warned that this situation could get worse when the U.S. Army leaves Panama.

The 10,000 hectares occupied by the three shooting ranges are comparable in size to the Panama City area, without San Miguelito.

On another issue, Fernandez said Panama would have been "at a disadvantage" with the United States if it would have started the talks in December, because the United States has precise information on the military bases and Panama does not.

He said Panama cannot rely on the goodwill of the United States and has the obligation of starting those talks with "a great deal of information" on what it wants and with a strong national position.

"We are not bigger or strategically more important than any other Latin American country, and that is why we have to go prepared to the negotiation," he asserted.

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Argentina

Argentina: Minister Says Ties With U.S. Ties 'Never' Better

PY2902213196 Buenos Aires TELAM in Spanish 2011 GMT 29 Feb 96

[FBIS Translated Excerpt] Buenos Aires, 29 Feb (TELAM) — Economy Minister Domingo Cavallo today emphasized that Argentine-U.S. relations have never been at a better level than now.

Cavallo noted: "The relations between the two countries have never been at such a good level as the current one. We also appreciate the attitude taken by the U.S. Government, both the Bush administration and the Clinton administration, in promoting continental integration."

The economy minister delivered a speech during a ceremony held this morning at the Wal Mart shopping mall in Avellaneda District, paying a tribute to Warren Christopher, U.S. secretary of state (a post equivalent to foreign minister), who now is visiting Argentina.

Cavallo pointed out that the presence of the U.S. secretary of state "indicates that Latin America still represents a priority for the United States." "As members of this great continent that is becoming increasingly united, this makes us feel very good," Cavallo said.

Cavallo also expressed appreciation for the "support that we have been receiving over the past seven years from the world's main democracy and leading economy to pursue our country's transformations."

After arriving at Ezeiza from Paris, where he accompanied President Carlos Menem, the economy minister held a half-hour meeting with Christopher at the suite that the latter is occuping on the ninth floor of the Alvear Hotel.

Raul Granillo Ocampo, the Argentine ambassador to the United States; Horacio Liendo, the legal, technical, and administrative coordination secretary; and former National Customs Administration head Gustavo Parino also participated in the meeting between Cavallo and Christopher. [passage omitted]

Argentina: Di Tella, Christopher Sign Nuclear Accord

PY0103024296 Buenos Aires TELAM in Spanish 2305 GMT 29 Feb 96

[FBIS Translated Text] Buenos Aires, 29 Feb (TELAM) — Foreign Minister Guido Di Tella and U.S. Secretary of State Warren Christopher today signed a cooperation agreement on the peaceful use of nuclear energy.

During a ceremony at the Foreign Ministry, the two government officials signed an agreement that will supply a comprehensive framework for peaceful nuclear cooperation, based on a strong mutual commitment on nuclear nonproliferation for an initial 30-year period.

The new agreement replaces a previous one, signed in 1969, whose validity was suspended in the late 1970's because Argentina failed to comply with U.S. laws that required extensive International Atomic Energy Agency (IAEA) safeguards as a precondition for significant U.S. nuclear exports to third countries.

It was officially reported that a number of complementary agreements on specific cooperation tasks between the respective nations would soon be achieved.

Within this framework, the report emphasized the signing of prospective agreements between the National Commission for Atomic Energy (CNEA) and the National Nuclear Regulatory Agency (ENREN), on the Argentine side, and the Department of Energy (DOE) and the Nuclear Regulatory Commission (NRC), on the U.S. side.

The Foreign Ministry report points out that the framework agreement signed today between Di Tella and Christopher represents "an effective relaunching of nuclear cooperation between the two countries, which was resumed in 1992, a cooperation that will be enhanced with the implementation of the aforementioned operational agreements among the agencies."

Argentina: Aerospace Agreement Signed With U.S.

PY0103025996 Buenos Aires TELAM in Spanish 2341 GMT 29 Feb 96

[FBIS Translated Text] Buenos Aires, 29 Feb (TELAM) — The National Aeronautics and Space Administration (NASA) of the United States and the National Space Activities Commission (Conae) of Argentina today signed an agreement on aerospace cooperation for civilian use.

Within the framework of U.S. Secretary of State Warren Christopher's visit, NASA Administrator Daniel Goldin and Conae President Carlos Varotto today signed the agreement during a ceremony held at the Foreign Ministry.

In remarks to journalists, Varotto emphasized: "The Conae program has been designed to gather specific space information generated by third parties and by its own actions."

Varotto said: "This is a very important agreement because it will facilitate our access to space, information

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exchanges, and the use of ground infrastructure for space goals."

For his part, the NASA administrator pointed out: "President (Bill) Clinton is supplying special support to the relationship between the space agencies of the two countries, whose achievements usher us into the 21st century."

Goldin added: "The data supplied by the ground sensors involve extremely important information for the development of agricultural activities, forest control, and fishing."

The new space agreement, signed between the United States and Argentina, renews an agreement signed in August 1991 on space cooperation for civilian use that was due to expire in August 1996.

It was also reported that this agreement "paves the way for achieving a framework for enhanced cooperation in the use of outer space for research in earth sciences and global change."

The Foreign Ministry reported that, pursuant to this agreement, Argentina and the United States "will work jointly in the development and launching of satellites and in other areas linked to the Argentina 1995-2006 Space Program."

Argentina: Christopher, Menem To Discuss Patent Bill

PY0103030496 Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Feb 96 p 3

[Article by correspondent Marcia Carmo in Buenos Aires]

[FBIS Translated Text] Buenos Aires — Changes in the text of the Patent Bill — which was approved by the Argentine Congress but which must still be sanctioned by President Carlos Menem — will be the main subject of conversation between U.S. State Secretary Warren Christopher and Argentine officials. Menem and Christopher will meet in the Olivos presidential residence today together with other Latin American diplomats.

The Americans are exerting all kinds of pressures so that intellectual property rights pertaining to the pharmaceutical sector will not harm their businesses in Brazil. According to U.S. industrialist estimates, for example, the article stating that patents be granted only to new products will cause harm worth more than $500 million.

Meanwhile, however, the Argentine Government is trying to buy time. The Argentine Government has not even reached an agreement over the subject with Congress. A delegation of deputies and senators traveled to Washington this week to attempt to convince their U.S. colleagues that the Argentine bill could prevent acts of piracy.

Menem blames the economy ministry for having approved the bill which is now only awaiting his own signature. Menem, who received support from the pharmaceutical industry to be reelected, does not want to be in a bad position with the Americans. As a presidential aide said, he will try to find a solution that will please everybody, but that will, primarily, not disappoint those who supported him in the elections.

Argentina: Analysis of Visit by U.S. Secretary of State

PY0103023596 Buenos Aires CLARIN in Spanish 29 Feb 96 p 14

[Article by Oscar Raul Cardoso]

[FBIS Translated Text] An important component of human beings' decision-making process is — among many others — what they hear.

It is useful to have this idea in mind now that we will have the opportunity of having U.S. Secretary of State Warren Christopher as our interlocutor in his visit to Latin America.

What he hears in this region will obviously have quite a significance afterwards. What he says will also be of utmost importance.

It is not clear whether Christopher's presence will constitute — from the point of view of Argentina's interests — the privilege that language of protocol always suggests in these circumstances.

It is possible to state, without a shadow of a doubt, that the U.S. secretary of state's visit is a **rare occasion,** as evinced by some curious data:

— **No head of the U.S. diplomacy has set foot** on Latin American soil heading a mission since 1988, when George Shultz — then secretary of state under Ronald Reagan's second presidency — came to these latitudes.

— Christopher comes to our region after having been in office for nearly four years and after having made — this is just an example — 17 trips to the Middle East over the span of nearly four years.

— Even though Christopher worked for the U.S. Department of State in a previous administration — he was not high up in the government hierarchy under Jimmy Carter — those who follow his comings and goings deem that the total number of hours that he spent in this part of the planet during his lifetime — and not

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just in his capacity as U.S. secretary of state — **does not even add up to a complete day.**

— Only six days have elapsed since Alexander Watson, assistant secretary of state for inter-American affairs, told reporters that Christopher's tour of five countries — El Salvador, Chile, Argentina, Brazil, and Trinidad and Tobago — had a "dramatic significance" given the new conditions prevalent in the region, thus alluding to the resoluteness with which the Latin American peoples have embraced democracy, and the **meekness** with which they tolerate stern market rules.

It seems that Christopher took his time to become aware of the great dramatic import of his tour of Latin America because the visit of the U.S. secretary of state was one of the **gentleman's agreements** that saw the light of day at the presidential summit of the Americas held in Miami 14 months ago.

The visitor's formal intention was to "hail" this new reality in Latin America. Now, the only dramatic thing that really remains is a **heightening of the tension** between Cuba and the United States, a conflict which has been dragging on for nearly four decades and which — whenever it becomes more acute, as occurs cyclically — imposes **disproportionate costs** on the rest of Latin America.

In this context, the reality that the Latin American hosts convey in their speeches to the U.S. secretary of state acquires an even greater importance. One can easily imagine Foreign Minister Guido Di Tella's attempts at pleasing his U.S. counterpart by showing him the statistics of Argentine votes at international fora — 70 percent of the votes cast by Argentine delegates **are in line with** the U.S. votes. Nevertheless, this idea of **"the right of the leading or first-ranking nation" in foreign policy** will hardly, by itself, define substantial matters.

It is relatively easy to identify the really important things that Christopher could hear during his visit, although — given the style and content of Argentina's present diplomacy — it is much more difficult to imagine that Argentines will say those things to their visitor.

Christopher, for example, should leave the country with a clear idea that the protectionist discourse that reaches its maximum level in U.S. society when it is translated into the euphoria surrounding presidential hopefuls' campaigns, such as that of Pat Buchanan, **clashes headlong** with the free-trade policy that Washington ceaselessly demands from the rest of the world, but **particularly from Latin America.** He should also become aware that his country's empty promises of expanding free trade to all corners of the Americas do not go unnoticed.

As one of the priorities of Christopher's agenda for this trip is the antinarcotics fight, it would also be good if he learned that the arbitrary use of a country's "certification" before Congress as a domestic policy tool is something that does not precisely strengthen the feeling of brotherhood in the continent.

He should also be told that by having chosen to unload **the burden of their own ineffectiveness** on Latin America, the U.S. politicians are not helping to strengthen this brotherhood either, particularly because they also hold Latin America responsible for several of the dilemmas of this new world, such as lack of jobs, drugs, and migration pressure.

In addition, it would be good if Christopher could be convinced that by insisting on remaining **the most important international leader** without accepting the need to pay something for the privilege, the United States is ever further complicating relations between the countries of the Americas.

The U.S. Congress decided to cut back, by some 40 percent, the assistance the country rendered abroad, although this assistance represented a very small portion of the national budget. Simultaneously, some authorized voices with the fame of being progressive propose, as historian Paul Kennedy did in the last issue of **FOREIGN AFFAIRS**, to limit this help exclusively to a small group of countries that they term "key countries."

What happens internally in the United States is not very different from that. Every time the Congress attacks the administration, each time there is a demagogic request for reduction of taxes, as if taxes were a way of punishing those who pay instead of being a contribution to the welfare of the group, we realize that the United States wants to continue being admired by the rest of the world **without having to pay a reasonable price for that.**

The U.S. Government will certainly decide — and with more liberty than the rest of the world — what it wants to do, [illegible] not a matter of unduly — and, in this particular case, absurdly — interfering with the domestic affairs of another country. What we want is to at least let the secretary of state know that the cost his country manages to avoid in one dimension will inevitably have to be paid in another one.

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Argentina: Cuban Plane Downing Said Harmful to U.S. Ties

PY2902225996 Buenos Aires CLARIN in Spanish 29 Feb 96 p 14

[Editorial: "Cuba and a Crisis With a Deja Vu Sensation"]

[FBIS Translated Text] The downing of two anti-Castroist planes by the Cuban Armed Forces has again reinstated Cold War language and military actions within the framework of a Caribbean geopolitical context that for many years had been learning to manage with different benchmarks.

Of course, the situation within which this new conflict between Cuba and the United States is taking place cannot be compared with that prevailing in October 1962, when Fidel Castro could challenge the U.S. power with a nuclear umbrella offered by the Soviet Union in what was described as "the missile crisis."

If the outcome of the situation prevailing in October 1962 involved a strengthening of the Cuban Revolution's communist trend, the immediate consequences of this unwarranted military reaction will increase the island's international isolation. For the time being, this unwarranted military reaction represents a setback in the negotiations with the U.S. Government to a point that could even go back to the situation prevailing before the last crisis involving the boat people, causing President Clinton to conform to the hard stances supported by the Republicans, involving economic sanctions and banning of foreign investments in Cuba.

Cuba's military reaction also prompted a logical condemnation by the international community of an excessive and unwarranted action against civilian planes, even if it had been a provocation or a violation of territorial sovereignty.

What is still more serious is the fact that this situation hinders the detente and appeasement policy that has been pursued over the last few years and that had managed to turn economic and trade issues into a battering ram for a gradual democratization of the Cuban regime. At present, diplomatic and commercial sanctions, military threats, and the most hardline groups have come to the fore once again.

Was it a premeditated decision by Fidel Castro to bring upon himself these inevitable consequences, which will be quite damaging for a bloodless transition? If this is so, even if he manages to consolidate his position at home, the Cuban leader will reap the whirlwind by putting into reverse the progress made so far to lift the embargo on trade with Cuba imposed by the United States, and by isolating himself once again.

Argentina: Paid Ad on Cuba Addressed to Christopher

PY0103033196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2204 GMT 29 Feb 96

[FBIS Translated Text] Buenos Aires, 29 Feb (NA) — In connection with the ongoing U.S. conflict with Cuba, UCR [Radical Civic Union] leader Cesar Jaroslavsky today asked, through a paid advertisement, U.S. Secretary of State Warren Christopher that the United States "respect the autonomy of nations."

The text of the paid advertisement is as follows:

"Mr. secretary of state:

"Without any other title than that of a citizen who considers his country's, America's, and the world's problems as his own, I cannot let pass your exceptional presence among us without expressing my viewpoints on your government's relationship with the Cuban Government.

"I am aware of the favorable attitude that you have been taking recently toward a relationship that has suddenly been jeopardized by an open political provocation intending to involve your government in new aggressions that can be added to the aggressions that the Cuban people have been enduring for 35 years, with the dignity of an autonomous and independent nation.

"My exhortation must be considered in the light of the previous attitude when I offered to the embassy, headed by Mr. James Cheek, my personal intervention in whatever manner your government deemed appropriate for contributing to the agreements that began with Cuba under the administration of President Clinton.

"My stance has not changed and, based on it, I want you to personally become aware of my opinion that the Argentine people will applaud any attitude involving respect for the autonomy of nations and will reject any attitude violating peace and harmonious coexistence that must be protected by you, who, being the most powerful country, have more responsibility in the eyes of the world. Do not permit rebellious extremist groups to raise doubts about it.

"With my distinguished consideration and respect, I present you my greetings, praying that your visit to our peoples of the South will enlighten your intelligence and your patriotism."

[Signed] Cesar Jaroslavsky

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Argentina: Menem Opening Speech Before Congress Previewed

PY0103040496 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2345 GMT 29 Feb 96

[FBIS Translated Text] Buenos Aires, 29 Feb (NA) — In his speech to open the 114th period of regular congressional sessions on 1 March, President Carlos Menem will confirm our country's economic course charted by his government and will champion the enhancement of Argentina's trade relationship with the EU and the Mercosur [Common Market of the South].

Before Congress, which will assemble by 1100, the president will announce our country's "12 great challenges" for this year and will propose the discussion of the new role of the state.

The president will take about 40 minutes to deliver his speech to Congress at 1100 on 1 March if the 34 pages of the draft that he corrected this afternoon at the Olivos residence remain unchanged.

Despite the secrecy surrounding the drafting of the presidential message, some points included in his speech and other important announcements that will be made on 1 March have been leaked.

In his speech to congressmen, Menem will confirm the necessity of maintaining the course of the economy and raising again the proposals for economic growth, and will raise the importance of achieving this goal within the framework of social justice.

Among the "12 challenges" included in his message, the president will emphasize the global participation systems [sistemas de participacion global] and open management of the state, following the second reform sponsored by the government.

The president will also emphasize Argentina's integration into the continent and the world, enhancing the Mercosur agreements and the relations with the EU. He will endorse regulating international treaties on human rights.

With regard to our country's domestic affairs, the president will emphasize the necessity of guaranteeing the rights to health, housing, justice, and education for all citizens. He will emphasize the promotion of economic growth with social justice.

In addition to strengthening the federal system, Menem will urge congressmen to make headway in drafting laws for a new system of political parties so as "not to limit the citizens' alternatives in selecting their representatives."

Moving on in his speech, Menem will give an account of the tasks pending, with the proviso that this point "is not merely the government's responsibility." He will ask all sectors to participate in a debate on unresolved problems.

A month ago, Menem tasked Chief of Cabinet Eduardo Bauza, Congressional Coordination Secretary Nicolas Becerra, and leader Luis Duran with drafting the speech for opening the regular congressional sessions.

As soon as he arrived from Paris, following his three-day official visit to France, Menem corrected the draft, which was delivered by Bauza, Becerra, and Duran, during a meeting at the Olivos residence this afternoon. Interior Minister Carlos Corach also participated in the meeting.

Bolivia

Bolivia: Police Arrest Protesting Oil Workers

PY2602164096 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 26 Feb 96

[FBIS Translated Text] The march from Camiri to Santa Cruz being staged by oil workers has been intercepted. A cable from Erbol [Bolivian Radio Schools] says: The government today issued a clear message that it will not admit any opposition to the capitalization of Bolivian Government Oil Deposits, YPFB. Police and military troops intercepted and broke up a march to express opposition to the capitalization process that began in Camiri and was heading toward Santa Cruz.

Prefect Julio Leigue ordered more than 100 armed military and police agents from Santa Cruz. They arrived at Ipati, where the marchers were resting for the night, at 0400. Six journalists, four males and two females, were accompanying the marchers to cover the event. The repression started as soon as the troops arrived. The repressors used batons, tear gas, and other means to attack the morale of the marchers.

Male journalists were able to resist arrest, but the two women reporters were insulted and violently pushed into the busses brought by the police to take those arrested to Santa Cruz.

Oil workers leader [Jon Garamendi], who was one of the 100 or so men participating in the march, escaped and told what happened in Camiri, which is an expression of opposition to the capitalization of the largest state company.

The group of nearly 100 workers, former workers, and university students arrived at Ipati on the night of 24 February and were lodged at the local chapel. The police and military personnel did not respect the Church and

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entered the premises after forcing doors to stage a harsh repression inside and try to arrest all the marchers. The action was characterized as illegal by oil workers.

At least 30 marchers eluded the police and 13 of them returned to Camiri to denounce the attitude of Department Prefect Julio Leigue. Among those arrested were workers leader [Daniel Curtar] and [Erwing Arsaldo], of the Camiri Union; one leader of the Bolivian University Confederation; one peasant; and one member of the regional branch of the Bolivian Labor Federation.

Camiri's Civic Committee President Alberto Guzman said the prefect's dictatorial attitude is an offense to Cordillera Province. Guzman said the police and military attacked the marchers with batons, riffle butts, kicks, and fists, adding that the marchers were merely exercising their constitutional right to repudiate the YPFB capitalization process. Guzman announced that Camiri's Civic Committee, the citizenry in general, and district mayors will implement the necessary measures to protest government abuse.

Ipati is 35 km from Camiri. The marchers were resting there before continuing toward Santa Cruz, some 260 km away, on 25 February.

Bolivia: Pipeline Construction Pact Signed With Brazil

PY2702105796 Madrid EFE in Spanish
0120 GMT 24 Feb 96

[FBIS Translated Text] La Paz, 23 Feb — The Bolivian and Brazilian foreign ministers today signed a joint declaration in which they confirm their governments' decision to build a gas pipeline linking both nations and to adopt measures to materialize this project.

Bolivian Foreign Minister Antonio Aranibar and his Brazilian counterpart Luiz Felipe Lampreia stated that the agreements signed during the latter's state visit to La Paz are not substantially different from the ones signed in 1994 and 1995.

The foreign ministers added that the price of Bolivian natural gas that was agreed upon then, namely; $0.92 per 1,000 cubic feet for the first eight years of exports, was not modified.

The Brazilian foreign minister said that his country trusts in the reliability of the (state-run) Petrobras [Brazilian Petroleum Corporation] report contending that there are enough reserves of natural gas in Bolivia to justify an investment in a 2,000-km long gas pipeline linking the Bolivian city of Santa Cruz de la Sierra and the Brazilian city of Porto Alegre.

Aranibar underscored that the agreement signed today constitutes a political commitment to fulfill the contracts and addenda signed previously.

Lampreia and Aranibar declared that the next step will be the founding of the companies that will be part of the consortia that will work in this endeavor, and subsequent to this a tender will be called for the building of the pipeline, which is estimated to cost $1.680 billion.

Lampreia confirmed that the Brazilian Government is in a position to invite firms to tender for the construction of the pipeline within six months so that work may start in 1998.

The Brazilian foreign minister nonetheless asserted that the Brazilian mines and energy minister and Petrobras president will have to hold a high-level meeting with their Bolivian counterparts to define the final agreements and the way to implement them.

Lampreia stated that the pipeline project with Bolivia takes precedence over a project to build another gas pipeline from the Argentine Province of Salta — which is still on the drawing board — because the project with Bolivia is in a much more advanced stage. The Brazilian minister added that he had no doubts whatsoever that the project with Bolivia will be the first one to materialize.

Lampreia said: "Conditions for the signing of the agreement and the construction of the pipeline are most propitious, and if difficulties happen to crop up, the political will of our governments will make it possible to overcome them so that the long- awaited project that will further unite Bolivia and Brazil will become a reality."

The joint declaration establishes, among other things, that within the framework of regional integration endeavors, the economic complementation agreement signed between Bolivia and Common Market of the South (Mercosur) member countries is of great significance and constitutes the first step toward the establishment of a regional free trade zone.

The two foreign ministers also reiterated their intention to strengthen the Amazon Cooperation Treaty, the River Plate Basin Treaty, and the Paraguay-Parana Waterway, which they consider elements that serve to advance the integration of the region.

Aranibar and Lampreia also signed a Complementary Adjustment to the Basic Agreement on Scientific and Technical Cooperation for geological studies to be undertaken in order to develop the mining industry in the region of the Precambrian Shield, in a border area between both countries.

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The two foreign ministers also confirmed their desire to update bilateral agreements on the control of drugs and psychotropic substances, and they pledged to making every endeavor to eliminate drug trafficking.

Brazil

Brazil: Senate Approves Alternate Patent Bill Proposal

PY0103032596 Sao Paulo AGENCIA ESTADO in Portuguese 0114 GMT 29 Feb 96

[Report by Rosa Costa]

[FBIS Translated Excerpt] Brasilia, 29 Feb (AE) — The government today had one more victory in the Senate. In a voting session in which — for lack of quorum — only party leaders voted, most of the senators who were present approved, at 2100, the alternate proposal on the Patent Bill that was presented by Senator Fernando Bezerra (PMDB-RN) [Brazilian Democratic Movement Party-Rio Grande do Norte]. Bezerra is the Economic Affairs Committee's rapporteur. The alternate proposal fully meets the interests of the executive branch and of its international partners. [passage omitted]

The Patent Bill will now have to be voted on again in the Chamber of Deputies because the senators have modified the text that had been approved by the deputies. [passage omitted]

Brazil: Senator's Strategy To Amend Patent Bill Viewed

PY0103012596 Sao Paulo AGENCIA ESTADO in Portuguese 1442 GMT 29 Feb 96

[FBIS Translated Text] Brasilia, 29 Feb (AE) — Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba] is already preparing his strategy for the voting session that will be held this afternoon on the new patent bill. Being the main opponent of the government on this subject, Suassuna wants to fight for at least three changes in the report prepared by Senator Fernando Bezerra (PMDB-RN) [Rio Grande do Norte], which will have priority treatment over Suassuna's own report. Suassuna intends to have the pipeline article removed (which represents the retroactive recognition of patent rights), make obligatory the local production of a product in order for its patent be valid in Brazil, and only allow the concession of a patent to microorganisms when linked to a specific process or product. "I will appeal to the emotional aspect," Suassuna announced. Suassuna's own patent bill report, which has been approved by the Constitution and Justice Committee, is considered more nationalistic than that of Bezerra, which has been approved by the Economic Affairs Committee. Suassuna, however, recognizes that the voting priority will ultimately be centered on Bezerra's report. This is why he will concentrate his efforts on the approval of the three abovementioned amendments.

[Sao Paulo AGENCIA ESTADO in Portuguese at 1942 GMT on 29 February transmits an item noting: "The leaders of the parties represented in Congress decided to reverse the voting agenda for today. The first priority had been the Patent Rights Bill and the second priority the constitutional amendment creating the Fiscal Emergency Fund (FEF). Now, the FEF amendment will be voted on first because it requires a qualified forum in the Senate. It can only be voted on with the presence of at least two-thirds (49) of the 81 senators. Since the Patent Rights Bill does not need a qualified forum, the party leaders consider that it can be put to a vote later on."]

Brazil: Senator To Demand U.S. Acknowledge Patent Rights

PY0103034296 Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Feb 96 p 3

[Article by Sonia Carneiro]

[FBIS Translated Excerpt] Brasilia — The last move by Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba] to have the pipeline (the acknowledgement of a patent from the time of beginning of research) article rejected in Congress today in the new bill involves even Foreign Minister Luiz Felipe Lampreia. Senator Suassuna went in person to Lampreia's office accompannied by scientist Jaime Roizenblatt, who yesterday accused the United States of carrying out industrial piracy practices.

"The United States demands that Brazil pass a patent bill, but it does not recognize Brazilian patents registered in the United States," Professor Roizenblatt said in an interview granted in Suassuna's office. "Warren Christopher cannot demand anything from Brazil," Suassuna protested, referring to the U.S. secretary of state's visit to Brazil, which begins on 1 March.

Lampreia will hand Christopher a letter asking for the intervention of President Bill Clinton to make Alcon Surgical Company (of the Nestle group) acknowledge the patent registered by Roizenblatt. The 43-year-old ophthalmologist invented an intraocular microsurgery devise called a vitrectomy [vitrectomia] to withdraw foreign material, such as glass fragments, from the eye. [passage with details on the vitrectomy omitted]

"The United States says that Brazil engages in actions of piracy, but Brazilian patents are not respected in the United States," Roizenblatt told U.S. Ambassador Melvyn Levitsky. Forty Alcon-manufactured vitrectomy

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devises worth $50,000 each entered Brazil in 1993 alone.

Brazil: Sao Paulo Cardinal Not To Receive Christopher

PY0103032896 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Feb 96 p 6

[From the "JB Report" column by Mauricio Dias]

[FBIS Translated Text] U.S. Secretary of State Warren Christopher did not manage to coordinate his agenda with that of Sao Paulo Cardinal Archbishop Paulo Evaristo Arns.

Christopher asked for an audience with Arns, but the cardinal said he could not receive him at the requested time.

Arns offered two alternatives that could not fit into Christopher's agenda.

To tell the truth, both sides lacked good will.

Brazil: 'Double Standard' of U.S. Policy Viewed

PY0103110496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Feb 96 Section 1 p 2

[Editorial page commentary by Clovis Rossi: "Double Standard"]

[FBIS Translated Text] Sao Paulo — It is true that the Cuban Air Force should not go around downing planes, whether or not they are in the island's airspace.

Yet more deplorable than the incident itself is the U.S. double standard when dealing with international relations.

Tightening the evil embargo on Cuba contradicts countless U.S. actions regarding other countries that commit the same or even worse sins.

In China, for example, notwithstanding the fact many people were killed in Tiananmen Square, that country continues to enjoy most favored nation status in its trade relations with the United States.

There are a group of semi-feudal countries in the Middle East which the United States continues to support and, what is worse, to arm.

Not to mention the fact that Latin American military dictatorships carried out countless crimes without the United States having even considered breaking relations with such countries, much less applying to them an embargo like the one that has been applied against Cuba for almost 40 years.

General Augusto Pinochet's Chile, for example, ordered the execution, in the middle of Embassy Row in Washington, of former Chilean Foreign Minister Orlando Letelier, solely for the crime of opposing his dictatorship. The Cuban Air Force has not gone that far.

Even disregarding moral or ethical principles, which are out of fashion, the hardening of sanctions against Cuba is also ineffective — a word more in keeping with modern times. Fidel Castro survived the embargo and the dismantling of the Soviet Union, which financed him, and he will also survive the sanctions.

Thus one of two things: Either a dictatorship is a dictatorship and it should be treated as such, be it from the right or left, or whether or not it promotes economic opening, or the argument that serves as a basis for applying sanctions to any country will be totally lacking in morality.

Not to mention the fact that by determining on imposition of sanctions against any company from any country that wants to engage in trade with Cuba, Washington is replacing the WTO without the approval of the rest of the world.

Brazil: Cardoso, Christopher To Discuss Cuban Incident

PY0103010196 Madrid EFE in Spanish 1911 GMT 29 Feb 96

[FBIS Translated Excerpt] Brasilia, 29 Feb (AE) — Brazilian Foreign Ministry sources today confirmed that Brazilian President Fernando Henrique Cardoso and U.S. Secretary of State Warren Christopher will discuss, among many other subjects, the conflict between Cuba and the United States following the downing of two small airplanes by Cuban fighters.

The Brazilians, who maintain a moderate position regarding the conflict, are very interested in discussing the subject, the source pointed out.

In turn, Brazilian Foreign Ministry spokesperson Vera Machado said that no subject has been excluded from the talks to be held between Christopher and Brazilian Foreign Minister Luiz Felipe Lampreia.

She said that they will talk about the situation in Cuba, Israel, the Palestinians, and OAS reforms, besides other bilateral and multilateral subjects.

According to the U.S. Embassy in Brasilia, other subjects on the agenda of Warren Christopher's visit to Brazil include trade and the environment.

In order to prepare a favorable atmosphere to talk about trade, the Cardoso administration has asked the Brazilian Senate to approve today the Patent Bill which is one of the subjects that most affect relations between the two countries.

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The Patent Bill, which has been debated in Congress for the past three years, includes the recognition of patents of products that are not yet on the market, which is its most controversial point, but which is demanded by the U.S. Government and pharmaceutical laboratories.

Brazil expects that in exchange, the U.S. Government will adopt measures to equalize the trade balance between the two countries. Last year Brazil registered a $1.6 billion trade deficit with the United States. [passage on previously covered material omitted]

Brazil: U.S. 'Electoral Concerns' Behind Cuban Issue

PY2902135496 Rio de Janeiro O GLOBO in Portuguese 28 Feb 96 p 4

[Article by Marcio Moreira Alves: "The United States and Cuba"]

[FBIS Translated Excerpt] The U.S. political atmosphere is conducive to Bill Clinton's reelection in November. Charges of involvement in suspicious business deals raised against him and his wife Hillary caused Clinton to lose popularity to the point of enabling the Republicans to regain control of both houses of Congress. Clinton is, however, entering the electoral race on the crest of a wave, thanks to errors committed by his adversaries. Luck is an essential element for a successful political career. [passage omitted]

The U.S. Government reaction to the downing of two anti-Castro organization planes that entered Cuban airspace is determined by the U.S. electoral race.

Relations between the U.S. Government and the Fidel Castro regime fall strictly within the realm of U.S. domestic politics. They have nothing to do with either the United Nations or international order. Proof of this is the fact that the Americans have refused to comply with UN General Assembly resolutions, which for four consecutive years have condemned the U.S. trade embargo on Cuba.

The issue entails the support of voters in Florida, where the community of Cuban exiles exerts great influence.

Today, the United States maintains diplomatic relations with Vietnam, where 58,000 U.S. servicemen died and 153,000 sustained injuries during a nine-year war. Vietnam is still a communist country. The United States also maintains warm relations with China, where thousands of U.S. businesses are already established or are trying to get established. China, which is just as communist as Cuba, has also been accused of violating human rights. Thus, U.S. hostilities against the Castro regime are not motivated by doctrinary, let alone humanitarian concerns. They are merely based on electoral concerns.

In the specific case of the planes that were shot down, early U.S. Government official reports admitted that, after dropping anti-Castro leaflets on Havana, the pilots had been warned that they would be shot down if they returned. These reports went as far as to admit that one of the planes had fallen in Cuban territorial waters. Finally, they also recognized that the planes, which were engaged in activities against the Cuban regime, had taken off from an airport in U.S. territory, which is contrary to international treaties governing the right to political asylum.

The U.S. Government has changed its initial version and now claims the two planes were shot down over international waters. Lies are considered natural in times of war. On 2 August 1964, the U.S. Government stated that two of its destroyers had been attacked by North Vietnamese ships in the Gulf of Tonkin. Five days later, based on this information, the U.S. Congress authorized President Johnson to send U.S. troops there. If the U.S. Government lied to the U.S. Congress, why should it tell the truth to the United Nations?

Latin American countries, which have condemned the U.S. trade embargo on Cuba, are reacting with utmost prudence to the U.S. pressure to support new economic sanctions against Cuba. Canada and the EU are reluctant to support these new measures. The Brazilian Foreign Ministry communique is a model in noncommitment that only our diplomats are capable of drafting.

There are no reasons for Brazil to get involved in this dispute. Let us leave this to the Argentines, who are amateurs in diplomacy, bring this problem upon themselves.

Inasmuch as UN resolutions do not count when they are out of keeping with U.S. policies, there is no reason to promote them now to support the United States.

Brazil: NASA Administrator To Visit INPE in Sao Paulo

PY0103012396 Sao Paulo AGENCIA ESTADO in Portuguese 2133 GMT 29 Feb 96

[Report by Julio Ottoboni]

[FBIS Translated Text] Sao Jose dos Campos, Sao Paulo, 29 Feb (AE) — The National Institute of Space Research, INPE, located in Sao Jose dos Campos, near Sao Paulo, will receive, on 2 March, a visit by Daniel Goldin, general manager of the U.S. National Aeronautics and Space Administration, NASA. The manager of the most important space science agency in the world is

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coming to Brazil to see the INPE installations and discuss cooperation agreements between the two agencies. This will be the first time the main NASA manager has come to Brazil to view the national scientific program.

On 1 March, U.S. Secretary of State Warren Christopher will sign, with Foreign Minister Luiz Felipe Lampreia, a "Cooperation Agreement for the Use [words indistinct] the Inter-American Institute for Research on Global Changes (IAI) — which is the first international [words indistinct] organization with a multiple cooperation system in the continent.

Brazil is becoming the great scientific partner of the United States in Latin America. For more than 30 years the NASA and the INPE have jointly carried out studies on earth and space environments. However, in the past few years, bilateral agreements in this field have been intensified, given the rapid development of Brazilian research institutes. Several joint projects are currently under discussion. They include those centered on [words indistinct] Planet Earth, coordinated by the NASA, and involving several countries.

In 1997, an INPE mapping camera equipped with infrared capability will be taken aboard one of the space shuttle flights. This camera will provide imagery of several regions of Brazilian territory. The material will be used for environmental area studies. Last year, another important joint project was conducted in the center-west region. It was the Scar-B project, which studied the emission of polluting particles found in suspension in the planet's atmosphere. These particles are the result of the burning of grassland areas. U.S. planes and experts participated in this project.

Brazil: 'Confusion' During Cardoso Trip to Mexico Viewed

PY2702021996 Sao Paulo VEJA in Portuguese 28 Feb 96 p 22

[FBIS Translated Text] President Fernando Henrique Cardoso has taken advantage of the Carnival holidays to travel to Mexico but President Ernesto Zedillo wanted to work. Brazilian diplomacy was prepared for a typical visit with a lot of "cultural activity." One day after having arrived in Mexico, Cardoso was surprised by an unprecedented proposal. Zedillo insisted on buying an entry ticket into the Mercosur [Common Market of the South], the trade bloc made up of Brazil, Argentina, Uruguay, and Paraguay. Caught by surprise, Cardoso changed the subject, limiting himself to saying that he will consult the other partners before answering, ending what should have been just a pleasant trip with an unpleasant diplomatic incident.

Just before Cardoso boarded the airplane, the Mexicans had already warned that they intended to take advantage of the visit to discuss economic matters. Mexican Foreign Minister Jose Angel Gurria had been in Brazil last May and he brought forward the proposal of reaching a free trade agreement with Brazil, but the Brazilian Government said no. Given that Mexico is member of the NAFTA, a pact with the United States and Canada, its currency is undervalued and many U.S. exporting companies have established themselves in Mexico. Therefore, Mexico's entrance into the Mercosur would have worsened the Brazilian trade balance. During the three preparatory meetings held before Cardoso's visit to Mexico, the Mexicans insisted on including the free trade subject on the agenda, but the Brazilians did not want to include this on the agenda and ended up winning. Cardoso's willingness to discuss economic matters was so remote that he changed the presence of Finance Minister Pedro Malan in the entourage for that of Culture Minister Francisco Weffort, and he prohibited Brazilian businessmen from accompanying him on an official basis. However, nothing prevented Zedillo from breaking the protocol and making the proposal. Even though alerted, Cardoso did not know what to do.

Meetings

The confusion continued as the presidents' joint declaration was being drafted. Normally, a declaration of this kind is prepared 15 days before the visit and its contents are totally foreseeable. At the last minute, the Mexicans wanted to impose in the text the extravagant expression "strategic alliance" to mark the beginning of a special agreement between the two countries. In the end, at the petition of the Brazilians, the text ended by stating that they are seeking "the construction of a strategic alliance," which satisfied the two parties. With the presence and company of friend and philosopher Jose Arthur Gianotti and writer Nelida Pinon, the visit served as an opportunity to hold meetings with Latin American intellectuals. But even those occasions were not free from incidents. In order to harmonize the temperaments of the two greatest Mexican intellectuals, pro-government Octavio Paz and government opponent Carlos Fuentes, who normally do not share the same room, President Cardoso had to receive them separately. Colombian writer Gabriel Garcia Marques autographed for Cardoso a copy of his latest book, "12 Travel Stories," but he misspelled the president's name: "For Fernando Enrique, when he was president." What is more, Cardoso had to withstand Itamar Franco's — who was in Mexico for a UN meeting — moment at the microphone as he criticized the Cardoso administration. "We implemented the Real Plan not only to seek economic

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growth, but also to distribute income," the former president said.

Brazil: Cardoso Urged To Draw 'Lesson' From Mexico Visit

PY2702124196 Sao Paulo GAZETA MERCANTIL in Portuguese 23-25 Feb 96 p A2

[Editorial: "Surprises and Lessons From Mexico"]

[FBIS Translated Text] Mexican President Ernesto Zedillo Ponce de Leon prepared a surprise for Fernando Henrique Cardoso during the latter's visit to Mexico: a proposal to negotiate an ambitious trade agreement that would be broader than Mercosur [Common Market of the South] and NAFTA, in which Brazil and Mexico — respectively — have thus far placed their hopes for achieving regional integration. The Mexican proposal includes a substantial reduction of tariffs and an agreement on intellectual property and services.

Naturally, the Brazilian president regarded the proposal with caution. Cardoso noted that, because of its involvement in the Mercosur customs union, Brazil could not fail to consult with its partners — Argentina, Uruguay, and Paraguay — to evaluate such an important proposal as the one made by the Mexican president.

The Mexican proposal ought to be considered within the context of the very particular, difficult situation Mexico is experiencing. Following the acute exchange crisis of December 1994, when the value of the Mexico peso was reduced to less than half, Mexican exports have vigorously recovered and jumped by 43 percent in 1995, totaling $81.1 billion, almost twice as much of what Brazil exported the same year, that is, $47 billion.

The above recovery — which generated a $7.8 billion trade surplus for Mexico compared to its $18.5 billion deficit in 1994 — has played a key role in helping the country rise from its ashes after the exchange storm. The price paid by the administration of President Zedillo could not have been tougher. The Mexican GDP, which had grown by 3.5 percent in 1994, dropped by 7 percent in 1995, and inflation jumped from 7.1 to 48.5 percent.

Mexican exports are, however, still dangerously concentrated on NAFTA: More than three-fourths of Mexican sales are intended for its prosperous northern partners — the United States and Canada. Thus, the Mexican recovery remains closely linked to the economic and political situation in those countries. Any recessive or protectionist trend in the above countries could have destabilizing effects on the Mexican economy.

Thus, Mexico's solution would be to diversify. Brazil stands out almost as an obvious partner in its capacity as the largest Latin American industrial power, with a successful stabilization program under way and an exchange situation that is far more comfortable than that of Mexico.

Furthermore, in light of Mexico's obvious interest in Mercosur, Brazil ought to maintain its initial caution. The Mexican proposal theoretically would open a channel for dialogue between Mercosur and NAFTA. Yet, the United States, the main NAFTA member, has always been reluctant to engage in trade talks with other Latin American countries, the talented Chile included. It remains to be seen whether Mexico's desire to expand its trade relations southwards will not collide with its commitments with its powerful northern neighbors.

President Cardoso should, however, draw a lesson in humbleness from his trip to Mexico. After being regarded by investors and economists as a model emerging nation, Mexico was victimized by its lack of domestic savings and is today picking up the pieces and trying to restructure an economy and society that have been deeply shaken by the blow of December 1994. Being on the brink of collapse caused Mexico to tread with uncommon resolve on the path of curbing fiscal spending and of implementing financial and social security reforms.

In the meantime, Brazil is enjoying prospects of declining inflation and interest rates and moderate growth trends. It may some times entertain the feeling that it has all the time in the world to promote the necessary reforms to resolve its fiscal deficit. The Mexican crisis has shown, however, that the shock waves of international financial turbulence transcend borders and that investors are always ready to withdraw their investments at the slightest sign of loss of control by the host country. Brazil should not forget then that the challenge of treading on the path of stabilization and sustainable development is a war that must be waged daily, and that no applause or victories, irrespective of their number, will automatically guarantee entry into the First World.

Brazil: Cardoso Avoids Economic Issues on Trip to Mexico

PY2702103096 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Feb 96 p A3

[Editorial from the "Notes and Information" page: "The President's Trip to Mexico"]

[FBIS Translated Text] President Fernando Henrique Cardoso is in Mexico on an official visit in which he will avoid economic issues and will focus, if possible, on political issues. He will avoid economic issues because to do that would be like talking about the electric chair in the home of an executed man. Because Mexico has

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not yet overcome a crisis that has deprived it of money and has eroded its prestige, it would not be in good taste to insist on such a delicate matter. Presidential advisers have noted, however, that Professor Cardoso will have no qualms about discussing the significance of democracy as an instrument of legitimacy and stability. For someone who is so reluctant to touch on thorny economic issues, he could not have chosen a better agenda. After all, democracy in Mexico is still meant for foreign consumption. Much remains to be done on the domestic front to pave the way for a real alternative to the veritable one-party dictatorship that has prevailed in Mexico — there have always been chances for a rotation in power since the Mexican Revolution because there have been parties determined to contest the PRI [Institutional Revolutionary Party] hegemony. The appointment by President Zedillo of an opposition member as attorney general does not mean that the PRI power has been curtailed. It just means that the Mexican administration is willing to crack down on the shady deals of former President Carlos Salinas de Gortari and his relatives. Cardoso is aware of all this because he knows Mexico. He will also contact the leaders of the two Mexican major opposition parties — we regard them as such — and will also give a special audience to Cuauhtemoc Cardenas, Zedillo's contender in the presidential election. That way, President Cardoso will be speaking of an electric chair in the home of an executed man.

This will be the 18th trip by the Brazilian chief executive, who has always been concerned about making "political visits." A presidential visit does not acquire a political nature only because it will not entail the signing of economic agreements. The visit becomes political as a result of the "political" nature of the topics included on the agenda for discussion with the host president. If the agenda were not political, the visit would be just a courtesy call, a protocol event, a good neighbor's action.

The insistence on focusing on political issues during Cardoso's trips has raised questions. This insistence can only be compared to the elaborate effort to keep the president's political agenda undisclosed. It is always possible for the agenda to boil down to two topics: Brazil's candidacy to a permanent seat on the UN Security Council; and control of the inflow of short-term investments by some international organization. These topics undoubtedly merit attention. Yet, this should be done within the appropriate context: Their implementation is so far away in time that they alone cannot make up a full political agenda. More substantive, current topics that would provoke action and reaction from both sides are needed.

The Brazilian Government must also explain why Cardoso is reluctant to discuss trade issues with the Mexican chief executive. There must be very grave reasons for the presidents of two major Latin American countries to be willing to discuss a whole range of issues, except for economic and trade issues. Mexico is of course a member of NAFTA and Brazil is a member of Mercosur [Economic Market of the South]. This has not prevented, however, the two countries from maintaining bilateral trade, which can potentially break the $1 billion mark, where it has stagnated. Thus, despite Brazil and Mexico belonging in different trade areas, they have common interests and topics that can be addressed without their respective regional agreements being affected. If the Brazilian administration waited for joint Mercosur negotiations with Mexico, it would be wasting an excellent chance for expanding bilateral trade. Similarly, it would not be wise to depend exclusively on possible Mercosur-NAFTA negotiations to take advantage of the trade potential between Brazil and Mexico. There is, we repeat, sufficient elbow room within both trade blocs.

It is true, however, that the Mexican auto industry — which has accounted for 22 percent of Mexican exports to Brazil — is unhappy about Brazilian auto restrictions. Mexico was one of the countries that lodged a complaint against Brazil with the WTO and the Mexican businessmen continue to insist on negotiating a bilateral agreement that would be instrumental in overcoming the Brazilian policy that granting exchange benefits and giving preference to Mercosur industries.

Familiarization and good neighbor visits are not entirely useless. It would be better, however, that any presidential visit — if it has not been preceded by economic or trade negotiations — to conform to a substantive political agenda, which would in fact pave the way for practical achievements, and not be limited to rhetorical gains.

Brazil: Mexican Trade Proposal Seen Linked to NAFTA

PY2902120096

[FBIS Report] The following is based on Brazilian media reports monitored by FBIS:

While Mexican President Ernesto Zedillo's proposal to Brazilian President Fernando Henrique Cardoso on an "ambitious" trade agreement between Mexico and the Mercosur (Common Market of the South) trade bloc has generated only muted Brazilian official reaction, the Brazilian media have given it considerable attention, focusing largely on the Mexican Government's unhappiness with NAFTA as the motive for the proposal. (1)

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Cardoso, Lampreia Welcome Proposal

Zedillo's proposal, made during Cardoso's 19-21 February visit to Mexico, envisages a "substantial" reduction in customs tariffs, the liberalization of the services sector, and the protection of intellectual property rights. Despite reports that the proposal caught Cardoso "by surprise," as he was reportedly "reluctant" to discuss trade and economic issues during his visit (2), the Brazilian president publicly welcomed the idea, noting that he would give the Mexican proposal "careful attention" and that he would have to consult with his Mercosur partners — Argentina, Paraguay, and Uruguay — before he could officially respond. (3) The Brazilian president noted that Mexico's proposal is "proof of how important Mercosur is" and demonstrates that Mexico is "trying to strengthen its ties" with Latin America. (4) Foreign Minister Luiz Felipe Lampreia contended that the proposal represents "a significant alternative to NAFTA," and termed the scope of the Mexican-Mercosur proposal "as ambitious as that with NAFTA." (5)

Cardoso acknowledged that the "trade problem" between Mexico and the United States presents a "problem" for the proposed alliance with Mercosur, but he expressed confidence that the matter could be resolved. (6) Echoing Cardoso's concern, Brazilian media commentaries dwelled on a possible conflict between Mexico's NAFTA commitments and the proposed trade alliance. The independent daily JORNAL DO BRASIL, for example, cited Cardoso's presidential advisers as saying that it would be "very difficult" to negotiate a free trade agreement with Mexico, due to its "excessive dependence" on the United States. (7)

Zedillo's Proposal "Message to U.S."

Several commentaries asserted that Zedillo's proposal sends a message to the United States that Mexico is disillusioned with NAFTA and can independently forge alliances with other trade partners.

— The conservative pro-government daily O GLOBO observed that through his proposal, Zedillo sought to "send a message" to the United States, "where NAFTA is being resisted." The commentary noted that this trade alliance is being proposed amidst an "unresolved crisis" between Mexico and NAFTA, in which efforts to lay down operational rules are "behind schedule" and projected U.S. investments for NAFTA "have been delayed." (8)

— The conservative, independent daily O ESTADO DE SAO PAULO contended that despite Brazil's Mercosur membership and Mexico's NAFTA membership, there is "sufficient elbow room" between the two trade blocs to allow for bilateral trade "without their respective regional agreements being affected." (9) Another report by the same daily remarked that Mexico's "subservience imposed by the adaptation to NAFTA" has prompted it to "obtain benefits wherever it can." (10)

— The liberal daily FOLHA DE SAO PAULO maintained that Brazilian presidential aides believe the Mexicans' interest in Mercosur is a reaction to their feeling that they have become "some kind of hostage to NAFTA." (11)

Businessmen Note Disappointment With NAFTA

Brazilian businessmen viewed the Mexican proposal "favorably" and also attributed Mexico's decision to seek trade partners elsewhere to its disappointment with NAFTA. One Sao Paulo businessman said that Mexico's recession has prompted it to seek a market which the United States "has failed to provide." Another businessman said that Mexico's interest in Mercosur "shows that NAFTA has not progressed as Mexico expected." He added that for Mexico, NAFTA represented "the dream of achieving a full, complete integration" with the United States and Canada. However, this integration "has not yet materialized." (12)

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Brazil: Butrus-Ghali Visits, Discusses UNSC Bid

PY2702210596 Rio de Janeiro Rede Globo Television in Portuguese 1615 GMT 27 Feb 96

[FBIS Translated Text] UN Secretary General Butrus Butrus-Ghali said today in Sao Paulo that nothing would prevent a Latin American country from having access to a permanent seat in the UN Security Council [UNSC]. Butrus-Ghali today began an official visit to Brazil.

Butrus-Ghali is beginning his six-day visit to Brazil in Sao Paulo. In brief remarks at the Cumbica airport, he declined to comment on the UNSC resolution condemning the Cuban Government's downing of two civilian planes belonging to Florida-based Cuban exiles. The planes were shot down over the Florida straits on 24 February.

Although he has not yet made any public announcement, Butrus-Ghali will seek reelection. This is why Brazilian diplomats regard Butrus-Ghali's visit to Brazil at this time as a good omen. It is believed that his visit could help in the negotiations to make Brazil a permanent member of the UNSC, which is now exclusively controlled by five countries: Russia, the United States, Great Britain, France, and China.

Butrus-Ghali confirmed that the United Nations plans to include a Latin American country as a permanent member of the UNSC, but made it clear that it is up to the UN General Assembly to make the final decision.

[Begin Butrus-Ghali recording, in progress] ...but nothing has yet been decided. [end recording]

Butrus-Ghali was cautious in discussing the Brazilian Government's debt to the United Nations. He said that Brazil has only a small debt: $5 million, which stemmed from expenses involved in peacekeeping operations. He said he was sure the debt will be paid soon.

Butrus-Ghali is scheduled to meet with President Fernando Henrique Cardoso in Brasilia on 4 March.

Brazil: Nation Said 'Up to Date' on Payments to UN

PY2902152496 Sao Paulo AGENCIA ESTADO in Portuguese 0034 GMT 29 Feb 96

[FBIS Translated Text] Brasilia, 28 Feb (AE) — Planalto Palace spokesman Sergio Amaral today stated that Brazil is up to date in its regular payments to the United Nations. He noted that Brazil has not yet paid its contribution for 1996 because there is no approved budget and because the payment period has still not expired. Amaral confirmed, however, that Brazil owes $5 million in relation to peacekeeping operations. He said: "We must make it clear, however, that Brazil is up to date in its regular payments to United Nations."

Amaral said the peacekeeping expenses have not been paid yet because by the time the total amount due was determined there were no more budgeted funds. Amaral said: "These peacekeeping expenses, which are prorated among participating countries, will be paid soon." UN Secretary General Butrus-Ghali, who will be received by President Fernando Henrique Cardoso on 1 March, recently said that one of the UN problems today is that member countries are behind in paying their contributions to the organization.

Brazil: 'Antagonistic Spirit' in Argentine Diplomacy

PY2802003096 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Feb 96 p A4

[From Jose Casado's "Highlight" column: "Argentina Proposes a Veto on Brazil"]

[FBIS Translated Text] The Argentine Government is totally determined in an international effort to prevent Brazil from becoming a permanent member of the UN Security Council [UNSC]. The Brazilian Government arrived at this conclusion after analyzing a sequence of actions by the Argentine Foreign Ministry during the past 18 months.

Itamaraty [Brazilian Foreign Ministry headquarters] is accumulating evidence of such an offensive in official, secret documents. Among the most recent events, there is evidence of trips by two high-ranking Argentine officials who were sent on "special missions" to Europe.

The first one, discreet, passed by the British Foreign Office, suggested a veto on the possible accession of Brazil to a permanent seat in the UNSC, which is the power center of the United Nations.

The second official acted openly. He gave a speech at the French Foreign Ministry in Paris on how Argentina "does not favor" Brazil's presence in the UNSC. On the following day, he repeated his suggestion to mid-ranking diplomats who were participating in an international meeting in the French capital.

Argentine Foreign Minister Guido di Tella gave the death blow during his trip to England — 13 years after Argentina was humiliated by the United Kingdom during the Falklands War. Di Tella said that under the Menem administration, Argentines feel more European than Latin American.

This antagonistic spirit has marked the latest Argentine foreign policy actions in a gradual confrontation with Brazilian diplomacy. The following are three examples of this:

— Not long ago, during an environmental conference in Berlin, the Brazilian Government was surprised by

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a sudden change of position by Argentina in the final document concerning portions in which U.S. interests were being harmed. The Argentine Foreign Ministry aligned itself with the U.S. State Department.

— A new confrontation took place during the Disarmament Committee meeting in Geneva recently. At the beginning, Brazil and Argentina were both in the group of countries interested in guaranteeing total access to high technology goods. In the end, the Argentine delegation expressed differences with the Brazilian group, and signed the proposal of the member countries of the international oligopoly controlling high technology products.

— A few months ago, the Argentine Foreign Ministry attempted to guarantee the dismantling of the Brazilian aeronautics and space program. It suggested, from Washington to Moscow, instituting a "missile-free zone" in Latin America.

The Brazilian Government's interest in a permanent seat in the UNSC is a priority subject on President Fernando Henrique Cardoso's agenda. He will soon discuss this subject with U.S. Secretary of State Warren Christopher and UN Secretary General Butrus Butrus-Ghali, who will visit Brasilia next week.

The Brazilian leniency toward the Argentine offensive is remarkable. A few months ago, strangely, Argentina reached the point of obsession when President Cardoso decided to classify "Argentine friendship" as something more important for Brazil than a permanent seat in the UNSC.

Since the Falklands War, Brazil has been prodigal in its nobility regarding relations with Argentina. For example, during the war, Brazil maintained the flow of clandestine operations from Buenos Aires — from payments support to the transportation of weapons and civilian products embargoed by England and the United States.

In the past two years, Brasilia has been concerned with doubling its economic support for the Menem administration, which is trying to prevent an exchange catastrophe in its stabilization program. The Cardoso administration took a risk in delicate exchange operations, reaching the point of transferring $1 billion of its reserves to support Menem.

In view of the evident Argentine fragility, Brazil last year maintained a trade policy oriented to guaranteeing a trade surplus for Menem, the first one Argentina registered in four years. Argentina last year registered a $931 million foreign trade surplus. Without the Brazilian help (a $1.2 billion surplus in its bilateral trade), Menem would have registered a $220 million trade deficit.

The beginning of a process of self-criticism can be sensed in Itamaraty with the desire to review the soft treatment given the Menem administration. If confirmed, the tone of President Cardoso's visit to Buenos Aires in April will probably change.

Brazil: Argentine Defense Minister on Nuclear Pact

PY2702211596 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Feb 96 Section 1 p 6

[Article by Sonia Mossri]

[FBIS Translated Text] Brazil and Argentina will begin today to discuss the final details of a nuclear cooperation agreement. Argentine Defense Minister Oscar Camilion is in Brasilia to examine with Brazilian authorities the final document that will be signed.

They will also agree on joint military exercises that will be carried out in the border area of Rio Grande do Sul.

"We need to increase cooperation with the Brazilian Army," Camilion told FOLHA.

President Fernando Henrique Cardoso has already discussed with his Argentine colleague Carlos Menem the implementation of the nuclear cooperation agreement that will be signed in 1996.

The principle interest of the Strategic Affairs Secretariat is the generation of nuclear energy. Planalto Palace thinks that Argentina is more advanced that Brazil in the development of energy-generating technology.

The Argentine Government is considering the privatization of its two operating nuclear plants — Atucha 1 and Atucha 2.

In January, Cardoso signed a nuclear cooperation agreement with India. The quest for an agreement with Argentina coincides with the project of resuming construction of the Angra 2 nuclear plant.

Camilion will meet on 26 February with Navy Minister Mauro Cesar Rodrigues, Army Minister Zenildo de Lucena, Foreign Minister Luiz Felipe Lampreia, and Strategic Affairs Secretary Ronaldo Sardenberg.

On 27 February he will meet with Armed Forces Chief of Staff General Benedito Onofre Bezerra Leonel and with Aeronautics Minister Lelio Vianna Lobo.

Camilion said that he will also discuss a common position regarding drug enforcement to be presented at the Second Meeting of Defense Ministers of the Americas, scheduled for October in Bariloche, Argentina.

"Brazil and Argentina do not want to involve their Armed Forces in this subject, but we cannot forget that

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other Latin American countries have problems with drug trafficking," Camilion said.

Brazil: Argentine Minister on Integration With Mercosur

PY2802150296 Sao Paulo AGENCIA ESTADO in Portuguese 2211 GMT 27 Feb 96

[By Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 27 Feb (AE) — Argetine Defense Minister Oscar Camilion today declined to comment on the Argentine opposition to the Brazilian bid for a seat on the UN Security Council, or on a statement by Argentine Foreign Minister Guido Di Tella that Argentines are closer to Europe than to South America. He evaded the subject by saying that "the Security Council is a subject to be dealt with by the foreign minister."

Camilion said he did not read the statement by Di Tella, who spoke in Europe last week, but he denied that Argentine interests are closer to Europe than they are to South America. "Argentina is in South America and it is integrated into Mercosur [Common Market of the South]. Moreover, Brazil is today Argentina's largest commercial partner. Argentina's trade with Brazil is three times that with the United States," he said. "Those facts are clear."

According to Itamaraty [Brazilian Foreign Ministry headquarters] sources, the statements by some Argentine officials about Brazil are considered normal. Brazilian diplomats believe that the Argentines' leaning toward Europe is natural in a country in which the majority of the population is of European descent. However, Mercosur created an interdependence between the two largest economies of the region, Brazil and Argentina. Last year, after successive Brazilian trade surpluses (exports surpassing imports), the situation changed and Brazil started registering deficits in its trade with Argentina (Brazil's purchases surpassed its sales). "No one can deny that Brazil is making a significant contribution to Argentina's economic stability," an Itamaraty source has said.

While there is satisfactory integration in the commercial area — with some sporadic complaints, especially about the Brazilian automobile industry — there is a different picture in the political area. Contrary to Brazil, Argentina has sided with the United States in international affairs, especially in the military area. The only friction between Argentina and the United States deals with the intellectual property law. The situation became more balanced after Brazil neutralized its conflicts with the United States (informatics law, intellectual property rights, restrictions on imports).

Brazil: Peru's Fujimori Holds News Conference in Brasilia

PY2802015196 Madrid EFE in Spanish 2201 GMT 26 Feb 96

[FBIS Translated Text] Brasilia, 26 Feb (EFE) — Peruvian President Alberto Fujimori does not believe that the upcoming presidential elections in Ecuador on 19 May should affect the peace process between Peru and Ecuador.

During a news conference granted in Itamaraty Palace [Brazilian Foreign Ministry headquarters] on 26 February, Fujimori said that the negotiations should not be affected "because they involve a contact between two states and not necessarily between two governments."

He nonetheless admitted that there could be "some waiting time if the attention of the Ecuadoreans totally centers on the elections."

He also said that in his opinion, all the conditions for the two countries to begin to negotiate the "subsistent impasses" that lie ahead of the peace process between the two countries are given.

Fujimori said that after the withdrawal of Peruvian troops from Watch Post Number Two [PV2], as demanded by Ecuador, this latter country will have to present its list of "impasses."

"In order to avoid obstacles in reaching the basic subject, and as a good will gesture, Peru has reduced to 60 the number of men at that post, despite the fact that it is not located in the area subject to demilitarization," Fujimori said.

"Thus, we will have cleared the way and perhaps tomorrow the Peru-Ecuador Military Observers Mission (MOMEP) will verify that there are only 60 men in the area," he said.

According to Fujimori, once this requisite is complied with, the guarantor countries will give each country the list of the "impasses" to thus begin to establish a dialogue process.

"We believe that the Quito Agreement is a good signal to reestablish further trust and to continue the process to overcome the impasses."

The foreign ministers of Ecuador — Galo Leoro — and of Peru — Francisco Tudela — met in Quito, just as they had met before in Lima. They decided to define in writing what they consider the "subsistent impasses" regarding their border.

Fujimori greatly praised Brazil's participation in the peace process and he revealed that Brazilian President

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Fernando Henrique Cardoso, through his intense personal action, "made the Itamaraty Peace Agreement possible."

"That is, he prevented sister countries like Peru and Ecuador from engaging in a bloody war," Fujimori said during the luncheon offered in his honor in Itamaraty Palace.

Cardoso, who gave a speech, also referred to the peace process and to the role of the guarantors. He said that Brazil will firmly maintain its support for the process.

Cardoso said that "in order that the great integration movement effectively place South America on the map in terms of great international decisions," besides defending ideas of democracy and economic freedom, it is necessary to preserve the atmosphere of peace and security based on mutual trust.

"Peace and freedom," Cardoso said, "are the unyieldable elements of democracy; they both guarantee stability and development."

"There is no other alternative than dialogue, peaceful coexistence, and democracy if we want our region as a whole to prosper," said President Cardoso.

Brazil: Chief Justice Avoids Meeting Peru's Fujimori

PY2702020996 Rio de Janeiro Rede Globo Television in Portuguese 1615 GMT 26 Feb 96

[FBIS Translated Text] On day one of his official visit to Brazil, Peruvian President Alberto Fujimori today met with President Fernando Henrique Cardoso and visited the Brazilian Congress. Chief Justice Pertence Sepulveda did not meet with Fujimori, but this was not the only embarrassing situation this morning.

Amid a gun salute and review of troops, Fujimori today met again with President Cardoso. Fujimori, who had attended Cardoso's inauguration, returned today to seek greater integration between the two countries.

After a private meeting, they signed an agreement for returning to each other cultural assets that had been either stolen or illegally exported.

In a joint communique, Brazil and Peru reaffirmed their commitment to intensifying cooperation in scientific, technical, and transport areas. They also agreed on resuming negotiations for an agreement between Peru and Mercosur [Common Market of the South].

Fujimori did not formally endorse, however, the Brazilian candidacy to the UN Security Council. The Brazilian Government expected him to announce his endorsement. A tradition has been broken during Fujimori's visit. The Peruvian president will not be received at the Federal Supreme Court. Chief Justice Pertence claimed that he had a very busy agenda to excuse himself from meeting Fujimori, but his advisers have unofficially confirmed that Pertence had canceled his meeting with Fujimori to protest Fujimori's decision to shut down the Peruvian Surepeme Court in 1992.

Because Fujimori had also closed the Peruvian Congress, he suffered another moment of embarrassment there. Claiming outside commitments at the last minute, Senate President Jose Sarney did not meet with Fujimori. The president of the Chamber of Deputies did not show up either.

[Begin recording] [Deputy Ronaldo Perin, acting president of the Chamber of Deputies] Certainly, if we had been experiencing an unusual situation in which the Peruvian Congress were gagged and in recess as a result of violent actions by the executive branch, naturally, the Brazilian Congresss would have also acted in a different manner. [sentence as heard] [end recording]

Cardoso said this morning he did not have any problems meeting with Fujimori, taking into account that he had been elected by the Peruvian people. The two presidents are now having lunch at Itamaraty [Brazilian Foreign Ministry] Palace.

[Rio de Janeiro Rede Globo Television in Portuguese at 2300 GMT on 26 February, in a related report, adds that the embarrassment caused by the fact that the presidents of the Federal Supreme Court, the Chamber of Deputies, and Congress did not receive the Peruvian president has prompted an official comment from the Presidency of the Republic. Presidential spokesman Sergio Amaral said: Fujimori "is the elected president of a country that also has an elected Congress, which is functioning, and President Cardoso sees no reason for not receiving him."]

Brazil: Fujimori Links Snub by Justice, Corruption Fight

PY2802150496 Sao Paulo AGENCIA ESTADO in Portuguese 2238 GMT 27 Feb 96

[By Paulo Vasconcellos]

[FBIS Translated Text] Rio de Janeiro, 27 Feb (AE) — Peruvian President Alberto Fujimori today hinted that Sepulveda Pertence, the president of the Federal Supreme Court, may have refused to meet with him on 26 February because of the war he is waging against corruption within Peruvian courts. Fujimori mentioned the subject during a press conference after having

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lunch with 100 entrepreneurs at the Rio de Janeiro Commercial Association headquarters.

"In the judicial branch case, I can imagine that the reason is my traditional fight against corruption within Peruvian courts," Fujimori said. "I adopted a hard line. The judicial branch must operate within the political system, but I do not know whether this was the reason for the absence of the Brazilian Supreme Court president." He said he did not know why some officials did not meet with him, noting however that he was "happy" for his meeting with President Fernando Henrique Cardoso.

President Alberto Fujimori was today greeted according to diplomatic protocol. At 1100 today, Rio de Janeiro Governor Marcello Alencar and Gama Calcher, the president of the Rio de Janeiro higher court, went to welcome Fujimori at the Galeo air base. At noon, Alencar again met with Fujimori for about 30 minutes at Palacio Laranjeiras. At 1300, during a lunch reception in which Rio de Janeiro entrepreneurs honored Fujimori, Humberto Motta, president of the Rio de Janeiro Commercial Association, emphasized that Fujimori was democratically elected and reelected.

Fujimori reaffirmed his support for the Brazilian bid for a seat at the UN Security Council. However, he declined to comment on the reports that Justice Minister Nelson Jobim would be designated to the Council. "Brazil is the power that represents Latin America," the Peruvian president said. "Brazil is the economic and industrial power that can lead SAFTA [South American Free Trade Agreement] (the South American equivalent of NAFTA), and Peru supports the Brazilian candidacy to the UN Security Council."

Homosexuals — The Peruvian president denied that there are 300 imprisoned homosexuals in Peru. This was the reason for the presence of a few demonstrators in front of the Peruvian consulate in Rio de Janeiro. He reiterated his political will to implement a family planning program despite the opposition of Peruvian Catholic Church leaders. "I do not care for the Catholic Church opposition," Fujimori said. Family planning is also democracy. If rich couples have access to birth control methods, why can't the poor use them too? Implementing a social policy means offering birth control."

Brazil: Peru's Fujimori Says Foreign Capital 'Guaranteed'

PY2802150696 Sao Paulo AGENCIA ESTADO in Portuguese 2247 GMT 27 Feb 96

[By Paulo Vasconcellos]

[FBIS Translated Text] Rio de Janeiro, 27 Feb AE) — Peruvian President Alberto Fujimori today called upon Brazilian entrepreneurs to invest in his country. During a lunch reception with some 100 entrepreneurs at the Rio de Janeiro Commercial Association, he said that Peru has an open economy with clear rules and security for investors.

"Brazilian entrepreneurs can rest assured that foreign capital in Peru is guaranteed," Fujimori said. "We have something in common: We are men of action, not of words. We need to privatize the state, invest in binational corridors, and reactivate the railway connection."

Fujimori said that the Peruvian part of the highway that will join Arequipa, in Peru, and the port of Vitoria, in Espirito Santo, across Bolivian territory, will be ready in two years. The Peruvian president demanded more investment and the participation of Brazilian enterprises in railway projects joining the two countries.

Humberto Motta, president of the Rio de Janeiro Commercial Association, emphasized the reforms that Fujimori has implemented in Peru. He mentioned the privatization program, which affects 140 enterprises, and the opportunities for investment. "Peru became one the of the world's most liberal and open economies," Motta said.

Brazil: Fujimori on Brazilian-Peruvian Integration

PY2902124996 Sao Paulo AGENCIA ESTADO in Portuguese 0007 GMT 28 Feb 96

[By Alessandra Coppola]

[FBIS Translated Excerpt] Sao Paulo, 28 Feb (AE) — Despite the fact that no concrete results or agreements were reached for bilateral investment during the three days of his visit to Brazil, President Alberto Fujimori has announced that the two governments and several enterprises, including a Brazilian enterprise, are planning to build highways and railways joining the two countries. Fujimori declined to report the name of the Brazilian enterprise, explaining that part of the highway network joining Bolivia and northern Brazil might be used and expanded up to Peru.

Peruvian Foreign Minister Francisco Tudela said that Peru wants to integrate itself into Mercosur [Common Market of the South], noting however that "first it is

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necessary to have physical integration, and only then will it be possible to think about formal integration into Mercosur." The lack of highways and railways is one of the main obstacles to the commercial partnership between Brazil and Peru. The president said this is one of the reasons why Lima and Brasilia have so far been unable to implement concrete commercial proposals. [passage omitted]

Brazil: Peru's Fujimori Proposes Corruption Forum

PY2902142196 Sao Paulo AGENCIA ESTADO in Portuguese 2340 GMT 28 Feb 96

[FBIS Translated Text] Sao Paulo, 28 Feb (AE) — Today, on the third and last day of his visit to Brazil, Peruvian President Alberto Fujimori held two meetings with Brazilian entrepreneurs in Sao Paulo. He wants to promote investments, particularly in the areas of tourism, mining, civil construction, agricultural industry, and extraction of petroleum and natural gas.

Fujimori said Brazilian undertakings in Peru amount to about $500 million, a figure that is equivalent to the trade balance between the two countries. He believes that it is possible to expand bilateral exchange. He said: "Bilateral trade is still very small because there is no fast transportation channel between the two countries."

For this reason, Fujimori today announced a forum that will debate on integration between the Atlantic and the Pacific. He said entrepreneurs want to invest in highway and railroad projects to join the two countries, but did not mention any names.

Entrepreneurs who were with him today said enterprises are interested in the construction of a railroad. The Brazil-Peru forum will be held on 29 and 30 May in Sao Paulo. It will be attended by nine governors, entrepreneurs, and the two presidents.

Annual Peruvian exports and imports amount to $12 billion, but the balance of trade deficit -- which reached $2 billion in 1995 — is relatively high. Fujimori said: "Peruvian importers and exporters need a bit of boldness."

In addition to the crisis created by authorities of the Brazilian legislative and judicial branches, who refused to meet with the visitor, President Fujimori's visit was marked by a controversial proposal. Today he proposed the creation of an international forum to fight corruption. He said: "It is an attempt to prevent asylum and to facilitate the extradition of those charged with corruption."

Itamaraty [Brazilian Foreign Ministry headquarters] Group President Olacyr de Moraes said the visit by Fujimori is "extremely positive." He noted that investment in Peru is interesting for small-sized Brazilian entrepreneurs, adding that the interest rate for projects in which Peru is interested is 2 percent annually. He ruled out the possibility of investing in a railroad to join the two countries. Olacyr de Moraes believes the port of Santos is still the best channel for Brazilian farm exports.

Brazil: Minister Urges Foreign Investment Accord by Apr

PY2902005596 Sao Paulo AGENCIA ESTADO in Portuguese 1950 GMT 27 Feb 96

[Report by Beth Cataldo]

[FBIS Translated Text] Brasilia, 27 Feb (AE) — Communications Minister Sergio Motta has told his advisers that negotiations for an international telecommunications accord must be concluded before the end of April. He said the reciprocity rules and the rules for access of foreign enterprises into the Brazilian markets must have been defined by then. Motta reiterated the importance of the Brazilian position that is defined in the draft bill to regulate the participation of private enterprises in telecommunications services, which has been sent to Congress. The draft bill limits foreign investment to 49 percent of the shares of telecommunications enterprises, as a trump card in the negotiation.

Renato Guerreiro, secretary general of the Communications Ministry, asserted that the Brazilian project was "exceptionally" well received by those who were attending the WTO meeting in Geneva to discuss the issue. Guerreiro has reported to the Communications Ministry everything that occurs in the meeting.

Minister Motta's advisers define the Brazilian proposal as "very flexible" and free from "xenophobia or ideological" characteristics. The minister told AGENCIA ESTADO that, from the very beginning, the administration has made clear that the project sent to Congress in these terms reflected a negotiation position and a trump card to be placed on the table during discussions with foreign partners.

The financial area is an example of an area where changes can occur. Despite constitutional reservations to the participation of foreign capital in private companies, if President Fernando Henrique Cardoso officially admits that investments proposed for each case are relevant, these reservations can be softened.

Despite the possibility of making the constitutional reservations more flexible, Motta said he is convinced that the criteria initially proposed does not represent a real impediment for the presence of foreign investment

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in the communications area. In his contacts with representatives of multinational enterprises in the area, the minister realized that these enterprises do not consider majority share control a crucial condition for their participation in the Brazilian telecommunications market.

The Brazilian Government has been closely following the details of the U.S. Government proposal to open its domestic telecommunications market to foreign participation, which was announced at the WTO. Nevertheless, the Brazilian Government has doubts about the extent of this opening. In accordance with an agreement reached with the Communications Ministry, Guerreiro contacted Minister Motta today to comment on doubtful aspects of the U.S. proposal. Guerreiro is also holding discussions about the issue with representatives of the International Telecommunications Union, which is a UN organization devoted to the telecommunications area.

Brazil: Malan 'Reservations' on Financial Data Noted

PY2902024896 Sao Paulo AGENCIA ESTADO in Portuguese 2054 GMT 22 Feb 96

[By Paulo Sotero]

[FBIS Translated Text] Washington, 22 Feb (AE) — The Brazilian Government supports the idea of creating, through the International Monetary Fund (IMF), a regular dissemination channel — the Internet — covering the national accounts of the most important countries of the system. However, Brazil will make objections to the degree of detail and the regularity of the reporting of some figures, as was suggested in a proposal that the IMF management submitted two weeks ago for consideration to 23 emerging nations, among them Brazil.

Finance Minister Pedro Malan said today that "we see no problem in making the system operate more clearly, and we support the dissemination of information, provided other countries do the same, without exception." During the Carnival holiday, the minister contacted international and U.S. financial organizations, and delivered lectures to executives of New York and Washington enterprises. "The IMF proposal, however, wants to make available to the market figures that are not released by any country," Malan added. "The IMF itself has admitted this."

As an example, the minister mentioned the daily reporting of the level of reserves. "I do have reservations about that," Malan said. "There are some things that, from the viewpoint of Brazil and the IMF, should not be released to any market agent." In his opinion, "it is not an IMF function to offer daily market information to financial agents. This (the work by market agents) is a risk activity, and each one should run his own risk."

The minister said that one of the things he is concerned about, in connection with the publication of figures, is that they may be published without the accompanying interpretation to place the figures in their appropriate context, as frequently occurs with the economic headlines in Brazilian newspapers.

"Brazil today supplies to the IMF all the information that is requested" within the framework of regular consultations between the government and the IMF, Malan emphasized. Brazil would have no problem with the regular dissemination of a summary of the report on those consultations, provided the final text is approved by the authorities.

Concerning the dissemination of data through the Internet, which is the matter under consideration, Malan emphasized that the issue does not involve only Brazil, and that he is sure other countries — both developed and emerging countries — will raise doubts about some details of the proposal, which the IMF drew up following the recommendations issued at the latest annual IMF meeting, held in September 1995.

The proposal is on the agenda of the next meeting of the IMF acting committee, scheduled for April. The proposal provides for creation of a standardized system of dissemination of a set of macroeconomic data over a two-year period.

Malan said he also had doubts about one of the reasons mentioned for justifying implementation of the system; namely, that it will help avoid repetition of financial crises like the one in Mexico at the end of 1994. "The idea that the Mexican crisis occurred because people had insufficient information is an interpretation with which I disagree," Malan said.

"This idea conceives of people as being naive, but people are not naive. The Mexican situation had been analyzed, drawing people's attention to the problems that were developing, at least six to eight months before the crisis broke out. It is naive to imagine that the crisis occurred because no one was aware of the real situation of the Mexican economy. This is equivalent to underestimating the current degree of sophistication on international markets."

Brazil: Alleged Cardoso Remark on Closing Congress Denied

PY0103042196 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Feb 96

[Report by Luis Augusto Mendonca from Planalto Palace]

[FBIS Translated Text] Some congressmen — who are members of the Economy, Industry, and Commerce

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Committee of the Chamber of Deputies — with whom President Fernando Henrique Cardoso had dinner here in Brasilia last night have asserted that, during the dinner, the president of the Republic said, among other things, that it would be better to govern the country without the national Congress.

Some minutes ago, Planalto Palace released a communique denying everything and stating that President Fernando Henrique Cardoso is an intransigent defender of democracy and that any interpretation disregarding that is but ill-intentioned thinking.

The communique also states that the president of the Republic has professed exactly the opposite; that President Cardoso is a politician who has had many years of experience in the national Congress; and that since his installation in office, he has always held negotiations with the legislative branch.

The communique adds that the president of the Republic is absolutely convinced that the only way to legitimate any government decision is to hold political negotiations.

Brazil: Government Costs To Drop After Tax Cuts

PY2902130396 Sao Paulo AGENCIA ESTADO in Portuguese 0005 GMT 23 Feb 96

[FBIS Translated Text] Brasilia, 22 Feb (AE) — The government is celebrating an expressive reduction in the taxes that were levied on exports. The administration considers that this is one of the most evident proofs that the so-called Brazil cost is decreasing. Estimates reported on by presidential spokesman Sergio Amaral today show that the tax burden for industrialized exported products decreased from 18.6 percent to 12.9 percent, for semiprocessed products from 22.6 percent to 17.1 percent, and for agricultural and livestock products from 24.6 percent to 23.1 percent.

Amaral also reported about a document that lists as other points appointing to a reduction in the Brazil cost the intensification of professional training, the easing of state monopoly on infrastructure areas, the privatization of the Espirito Santo Power Plants, Inc., the decision to include the Brazilian Electric Power Company, Inc. system in the National Privatization Program, the decision to set the date for the Light and Power services, Inc. privatization auction, the approval of the law on concessions, the creation of the Executive Group for the Modernization of Ports, and the concession of four federal highways within the framework of the Program for Concession of Federal Highways.

The text of the document was drafted by Jose Roberto Mendonca de Barros, Finance Ministry secretary for Economic Policy; Assistant Secretary Gesner Oliveira; and Cesar Mattos, coordinator for Structural Affairs of the Economic Policy Secretariat. The spokesman said: "The process for reducing the Brazil Cost is under way and a series of important measures have not only been already adopted, but have also produced effect, while there are others still that are being adopted."

Export taxes were reduced in two stages. In May 1995, the administration allowed exporters to deduct from the taxes they had to pay Social Investment Contributions and Social Integration Program contributions normally charged on raw material earmarked for the industry. This represents an average 6-percent credit to exporters.

In January, the new rules reducing the basic index of the Income Tax for Corporations from 25 percent to 15 percent, with a 10- percent additional instead of the 12 percent and 18 percent used previously were implemented. At the same time, Congress reduced the Social Contribution on Profit to 8 percent.

In the document reported by the spokesman, the administration estimates that the taxes levied on exporting of primary products will drop to 6.6 percent, of semiprocessed products to 6.9 percent, and of industrialized products to 10.1 percent, if the proposal for tax reform being debated in Congress is approved. This proposal calls for the elimination of Goods and Services Movement Tax on all exports, capital goods, and agricultural and livestock components.

Amaral asserted that the administration is not considering the possibility of suspending allocations earmarked for the Sesc [Commercial Social Services], the Senai [National Industrial Apprenticeship Service], the Industrial Social Service, and the National Trade Service. "The administration is interested in checking whether there are other ways of financing the Sesc and the Senai that do not imply in increasing costs or representing a heavy burden on the payroll."

The spokesman also said that, in order to adopt the required measures, the administration is evaluating the results of the debate Brazilian society is holding about the need to make labor rights more flexible. "Society has started to debate about the possibility of having more flexible labor rights, and the administration, to be more precise, the Labor Ministry, is evaluating the results of this debate in order to learn whether it is possible to adopt some measures in this regard," Amaral said.

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Brazil: Regional Policies Secretariat To Be Strengthened

PY2702105696 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Feb 96 Section 1 p 5

[FBIS Translated Text] Planalto Palace has decided to strengthen the Regional Policies Special Secretariat, which is headed by Minister Cicero Lucena (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba].

The secretariat now has financial autonomy and is independent from the Planning Ministry, and will probably be directly linked to the Presidency of the Republic.

The changes, which have been conducted discreetly, meet the demands of the northeast region congressional bloc — made up of 191 (32 percent) of the 594 congressmen.

Minister Lucena asserted that he has been seeking to obtain loans, in the country and abroad, to build an oil refinery and a steel mill to produce steel sheets, in addition to money to invest in industrial projects for the automotive and informatics areas.

Lucena is making a list of the various types of fiscal incentives granted by the northeastern region state governments.

In concrete terms, only the refinery will be constructed during the Fernando Henrique Cardoso administration. Ceara and Pernambuco have been disputing the project, which will have an estimated cost of 1.2 billion reals [R].

According to Lucena, the economic team has already started to negotiate the creation of an international consortium for the construction of the refinery in partnership with the Brazilian Petroleum Corporation.

Another change that is being prepared will affect the Northeast Development Superintendency [Sudene]. The objective is to begin reviewing in March the 400 projects that are currently being implemented by Sudene and give priority to those that create more jobs.

One of the medium-term objectives is to transform Sudene into a development agency, as desired by 30 senators of the northeast region. In this way, the institution will become a sort of bank and will have the possibility of attracting resources from domestic and foreign markets.

In addition to Sudene, Lucena controls the Amazon Region Development Superintendency, the Manaus Free Trade Zone Superintendency, and the civil defense programs.

Lucena also wants to control the National Department of Drought Control [DNOCS], which is responsible for the construction of dams and irrigation programs. Currently, the DNOCS is under the responsibility of Environment Minister Gustavo Krause.

Brazil: Assembly of Angra-2 Nuclear Plant Resumes

PY2302221596 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Feb 96 Section 1 p 6

[Article by Sonia Mossri in Brasilia]

[FBIS Translated Text] The federal administration has decided to resume in 1996 the assembling of the Angra 2 nuclear plant with investments totaling 461.7 million reals [R]. It is studying, however, the best way to solve a problem linked to the group of construction companies that won the bidding.

Among these is the Andrade Gutierrez Company, charged at the end of 1995 with receiving a R235 million payment from Northern Brazilian Electric Power Plants, Inc. [Eletronorte], which was more than what the state-owned company should have paid. The case is being studied within the framework of an administrative inquest.

In October 1995, the state-owned company Furnas Electric Power Plants, Inc., which is responsible for Angra 2, held a bidding and decided that the proposal presented by the group Andrade Gutierrez, Tenenge, Ebe, Sade, and Technit was the best one for assembly of the mechanical, nuclear, and electronic sectors of the plant. The overall value of the contract is an estimated R190 million.

Andrade Gutierrez believes that the federal administration may withdraw their name from the bidding, on purpose, due to the difficulties the company is having with Eletronorte.

Jose Eduardo Goncalves, the manager in charge of the Andrade Gutierrez Marketing [preceding word in English] Department, told FOLHA DE SAO PAULO that there have been "threats" that the government will exclude his company from the group.

Mines and Energy Minister Raimundo Brito has instructed Antonio Imbassahay, president of the Brazilian Electric Power Company, Inc. [Eletrobras], not to authorize Andrade Gutierrez to sign the contract for the Angra 2 work before the problem with Eletronorte is solved.

Antonio Nasi Brum, social communications adviser for the Mines and Energy Ministry, has assserted that Minister Brito does not want the contract to be signed until Andrade Gutierrez returns to the Federal Government coffers the money Eletronorte paid in excess.

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Nasi Brum pointed out that the legal period to sign a contract after the bidding is held is six months. This means that the administration has to sign the contract for the assembling of Angra 2 with the construction companies before April.

If the contract is not signed until April, the administration will have to hold another bidding, and this is something that worries the Andrade Gutierrez company.

According to Nasi Brum, all the debts Eletronorte had with construction companies have been paid with a 21-percent discount, except the debt it had with Andrade Gutierrez. Eletronorte allegedly paid Andrade Gutierrez R49.3 million in excess.

The construction company asserted, however, that no excess amount has been paid. Goncalves pointed out that Eletronorte has paid the R235 million debt with certificates on the federal government domestic public debt. He said that the certificates had a market value of R100 milllion due to discounts normally in force in the market.

Thus far, Andrade Gutierrez and Eletrobras have not reached an agreement on the amount allegedly paid in excess.

Goncalves has asserted that Andrade Gutierrez received the payment in certificates and plans to return the money also through certificates.

The Mines and Energy Ministry, however, insists on receiving the money in cash.

Angra 2 Will Probably Be Operating in 1999

Twenty years after the beginning of the civil construction work, the federal administration will begin to install, in 1996, the 28,000 tonnes of equipment for the generation of nuclear energy in the Angra 2 plant. The plant is expected to be operating in June 1999.

Luiz Manuel Messias, Furnas superintendent for nuclear construction, has told FOLHA DE SAO PAULO that the Mines and Energy Ministry believes Angra 1 — which is already in operation — and Angra 2 will generate enough energy to meet the consumption demand of Rio de Janeiro State.

Angra 2 should have begun operating in 1982, as contemplated in the cooperation agreement signed between Brazil and Germany in the 1970's.

The federal administration has already disbursed R5.8 billion for Angra 2 — R3.6 billion in direct investment and R2.2 billion in financial allocations.

Nearly 70 percent of the work is completed. The most delicate stage, however, will begin now: The electromechanical assembling of the plant, including the reactor room and the tubing, among others.

Chile

Chile: Frei, Christopher Hold 'Frank and Cordial' Talks

PY2902204096 Santiago LA NACION in Spanish 29 Feb 96 p 2

[By Soraya Rodriguez]

[FBIS Translated Excerpt] While on a tour of the southern region, President Eduardo Frei said yesterday in Osorno that during his meeting yesterday with U.S. Secretary of State Warren Christopher at the La Moneda Government House, he thanked him for the invitation extended by U.S. President Bill Clinton to visit the United States.

Frei said he held a frank and cordial meeting with Christopher during which they discussed "all" important bilateral issues.

Regarding the Cuban situation, Frei stated that in addition to condemning the attack on two civilian planes, as had been reported by Chilean Ambassador to the OAS Juan Somavia and Foreign Minister Jose Miguel Insulza, Chile reasserted its position of supporting appropriate sanctions issued by international organizations. [passage on Christopher's news conference and schedule omitted]

Chile: Insulza Praises Level of Relations With U.S.

PY2902184196 Santiago EL MERCURIO in Spanish 29 Feb 96 pp A1, A11

[FBIS Translated Excerpt] [Passage omitted on statements by Christopher] Chilean Foreign Minister Jose Miguel Insulza, like his U.S. counterpart, greatly praised the Chilean-U.S. relationship and asserted that they are experiencing one of the best moments in their history, a fact that is reflected in the level reached in the political dialogue, based on shared values.

Insulsa recalled that the United States is Chile's main trade partner in the world and the first source of foreign investments in Chile, "substantive economic facts on which any relationship and negotiations is based."

When asked by foreign journalists whether isolating Cuba is the best way to promote democracy, Minister Insulza reasserted Chilean criticisms against Cuba, "to the extent that these measures are adopted by the appropriate organizations of the international system, because we do not believe in bilateral sanctions."

He added that these situation of strain affect the entire hemisphere and represent an obstacle for that country's possibilities for an opening.

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A Newsweek journalist asked Insulza to imagine he is Christopher and in a responsible manner answer what he would do to make Cuba less of a problem for the United States. The minister refused to answer the question in the same serious tone of voice used by the journalist because "it is very difficult to take the role of other political actors when one does not belong to a country or understand its domestic policy."

As for the possibility of Chile siding with the United States within the UN Security Council to apply sanctions against Cuba, Christopher [as published] only said that he hoped the two governments "will work jointly" to prevent such developments from taking place again. [passage omitted on Christopher's comments]

Chile: Minister Says Christopher's Visit 'Positive'

PY2902183996 Santiago EL MERCURIO in Spanish 29 Feb 96 p C3

[FBIS Translated Excerpt] Foreign Minister Jose Miguel Insulza made a positive evaluation of the visit by U.S. Secretary of State Warren Christopher after saying farewell to him at the airport.

He particularly emphasized the invitation extended by Christopher, on behalf of the U.S. Government, to President Eduardo Frei to make a state visit to the United States.

Insulza emphatically said that Chile has excellent international relations, especially with his main partners.

He added: "I challenge anyone to say that another country in the region has a higher level of relations than Chile with its main international partners."

Insulza also pointed out that President Bill Clinton will only receive two state visits this year, from Italy and Chile. President Frei's visit will be made after June.

A state visit is different than an official visit because it implies work meetings between the presidents, and meetings with the two branches of Congress.

Insulza said it was possible to discuss all the issues on the agenda, both bilateral and multilateral during Christopher's brief visit. Insulza also said that all the current commitments between Chile and the United States were reaffirmed, including those that have not been put into practice because of U.S. internal matters.

Insulza appreciated the willingness shown by Christopher and his delegation to discuss pending issues such as the "grapes case" and the Chilean entry into the NAFTA.

Regarding the "grapes case," Insulza said the diplomatic channel is open to deal with this issue at the appropriate time. He declined, however, to elaborate any further on this issue. He said this issue was discussed with dignity.

Regarding the Chilean entry into the NAFTA, Insulza said the process has stopped because of internal U.S. matters and not because of the will of the Clinton administration.

Sources of the Foreign Ministry said Christopher's visit was not to establish an agenda for negotiations or any other type of mechanism for solving bilateral problems. It was noted that the main purpose of the visit was to identify the most important points of agreement between the two countries, especially in the political area such as human rights, democracy, and security in the region. [passage omitted]

Justice Minister Soledad Alvear said Christopher's interest in the juridical assistance program represents "great satisfaction" for her ministry because of his desire to learn about the program.

Minister Alvear also said Christopher's visit to her ministry "reflects the importance of bilateral relations between Chile and the United States, which go beyond only economic issues."

Alvear also pointed out that Christopher's interest in the judicial issue and especially for the juridical assistance program marks the continuity of the visit she made to the United States, where she held an official meeting with U.S. Justice Secretary Janet Reno one year ago. Alvear said a review of the common issues of the two ministries was made on that occasion. [passage omitted]

Chile: Christopher Visit Viewed as 'Symbolic Gesture'

PY2902212296 Santiago LA NACION in Spanish 29 Feb 96 p 4

[From the "Opinion" column by Boris Yopo, Foreign Ministry Planning Directorate adviser: "This Is a Symbolic Tour"]

[FBIS Translated Text] The current U.S. electoral campaign has resulted in the blocking of a series of economic agreements. Moreover, there is a resurgence of protectionist trends. The U.S. Government has neglected the commitments it had promoted at the time of the 1994 Summit of the Americas.

U.S. Secretary of State Warren Christopher's tour seeks to reassure Latin American leaders that the United States continues to grant importance to the agreements achieved during this period. It is basically a symbolic gesture that goes beyond the specific agreements achieved with each country.

Christopher's tour seeks to reassure the region that the United States wants to continue promoting the policy undertaken in the first years of the Clinton

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administration, keeping in mind his possibilities of being reelected. It is important to capitalize on this interest expressed by the U.S. executive branch because in the U.S. Congress there are protectionist trends that uphold a dangerous isolationist policy.

Christopher's trip falls within the framework of engaging in direct diplomatic negotiations with Latin American leaders and public relations heads. The United States is somewhat fearful of a Latin America that is starting to look to other directions: Europe, Japan, and the APEC [Asia-Pacific Economic Cooperation]. Herein lies the reason behind its determination to give assurances that the United States is a reliable partner.

Nevertheless, the U.S. agenda encompasses several issues of international concern. Drug trafficking and money laundering are the main ones. There is also the UN Security Council issue. The United States is very interested in counting on the support of nonpermanent members of the Security Council, particularly those who uphold a relative affinity with U.S. policy.

Chile: Exporters Say U.S. Stance on Grapes Case 'Austere'

PY2902134796 Santiago Universidad Catolica Television Internacional in Spanish 0000 GMT 29 Feb 96

[FBIS Translated Text] There was some reaction to the brief visit of U.S. Secretary of State Warren Christopher. Chilean exporters were pessimistic about the possibility of finding a solution to the poisoned grapes case, despite Christopher's comment that the diplomatic channel is open to solve this problem.

[Begin recording] [Unidentified reporter] The poisoned grapes case made news again with the visit of Warren Christopher. U.S. Ambassador to the OAS Harriet Babbitt said today that the diplomatic channel continues to be open for this case after it was announced last week that from the judicial point of view this is a closed case. Despite this change Chilean exporters were pessimistic about the possibility of getting an indemnization that amounts to about $350 million.

[Chilean Exporters Association President Ronald Bown] We believe there may be a possibility of reaching an agreement. But according to the first indications — which are not part of this process but of previous diplomatic negotiations — no major results were obtained because obviously the U.S. position was very austere in terms of paying an indemnization.

[Reporter] Two ways remain for solving this conflict, that the two countries resort to the Bryant Commission, either bilaterally or unilaterally, or that the U.S. Government decide with Chile to present this case to an international court. The Chilean exporters expect, however, that the latter way be sought to solve the conflict. [end recording]

Chile: Editorial Urges U.S. Compensation for Exporters

PY2702212296 Santiago LA TERCERA DE LA HORA in Spanish 27 Feb 96 p 2

[Editorial: "Closed Case?"]

[FBIS Translated Text] The categorical statement by Harriet Babbitt, the U.S. ambassador to the OAS, that the United States considers the poisoned grapes case a closed issue is extremely serious because it is a clear sign that the issue may undermine the good state of existing U.S.-Chilean ties.

As it is well-known, in March 1989 the U.S. Food and Drug Administration decreed a temporary ban on all Chilean fruits because it was established that two grapes were laced with cyanide. This decision caused huge losses for Chilean producers, exporters, and the Chilean Government as well. During this extensive period and with extraordinary patience, Chile has resorted to all possible instances to obtain compensation for the damage caused.

In view of the fact that administrative and judicial alternatives have proved ineffective, the administration has decided to resume the diplomatic negotiations it had suspended while awaiting results. A special envoy has been sent to Washington for this purpose. Nevertheless, Ambassador Babbitt's statement shows that these negotiations seem also doomed to failure because although she acknowledged that the Chilean position is being considered, she was clear and adamant in reasserting that the U.S. Government believes this to be a closed issue.

The fact that the U.S. Government is studying the Chilean position has prompted U.S. Ambassador to Chile Gabriel Guerra-Mondragon to say he believes the issue is not closed.

It can be expected, therefore, that Ambassador Babbitt's categorical position on the subject will be amended during the meetings to be held with U.S. Secretary of State Warren Christopher and that the pertinent negotiations on the case will be undertaken. Fortunately, the Bryan-Suarez Mujica Treaty determines the paths to follow in case of failure of diplomatic negotiations. It would be preferable to avoid reaching such extreme situations, however, but it is undisputable that the Chilean Foreign Ministry must appeal to all resources

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to ensure that Chilean producers and exporters are fairly compensated for their huge losses.

Chile: Pro-Cuban Groups Protest Remarks by Envoy to UN

PY0103042296 Madrid EFE in Spanish 2056 GMT 29 Feb 96

[FBIS Translated Text] Santiago, 29 Feb (EFE) — The Coordinating Board of Groups in Solidarity With Cuba today sent a letter to the Chilean Foreign Ministry protesting remarks made by Chilean Ambassador to the United Nations Juan Somavia, who criticized the downing of two civilian airplanes by the Armed Forces of the Cuban Government.

Hernan Lechuga Farias, Chilean representative to that international pro—Cuban organization, said that Somavia's remarks were "irresponsible and lacking in professionalism" because they were made without seeking information on both sides of the issue.

He added that Cuban airspace has been violated since the very beginning of the revolution in 1959 and that the Cuban Government has shown "unlimited patience and tolerance of a fact that no country in the world is willing to tolerate."

Chile: Socialist Party, UDI Condemn Cuban Incident

PY2902181996 Santiago EL MERCURIO in Spanish 28 Feb 96 p C3

[FBIS Translated Excerpt] The Political Commission of the Socialist Party regretted yesterday the loss of human life in Cuba and expressed hope that the information to be delivered by the Fidel Castro government to the UN Security Council will clearly establish the responsibilities in this incident. [passage omitted]

The United States headed the international condemnation of the incident, which was also supported by the Chilean Government through a declaration released by the Foreign Ministry.

On 27 February Socialist Party President Camilo Escalona said that the loss of human life in this incident could be a factor to be used intentionally to try to deteriorate the process for normalizing U.S.-Cuban relations. He reiterated: "It is a regrettable incident because of the loss of human life that must be clarified."

Escalona said that for socialists it is essential that the responsibilities in this event be established.

Congressmen of the Independent Democratic Union [UDI] praised yesterday the quick Chilean condemnation of the Cuban regime as a result of the downing of two airplanes but demanded more drastic actions to isolate Castro.

UDI deputies Ivan Moreira and Andres Chadwick expressed strong repudiation for the attack on the defenseless airplanes, and criticized the Coalition of Parties for Democracy and other officials for not taking a stronger stand against this incident.

Although the immediate condemnation of the Frei administration was praised, Chadwick asked for stronger measures such a world condemnation of the Cuban regime and the withdrawal of the Chilean ambassador in Havana. He said: "It is impossible to hold diplomatic relations or do business with barbarians."

Chile: UDI Promotes Plan To Condemn 'Criminal' Cuban Act

PY2902182296 Santiago LA TERCERA DE LA HORA in Spanish 28 Feb 96 p 16

[FBIS Translated Text] A draft agreement that seeks the condemnation of Cuba for the serious incident involving its war planes that downed unarmed civilian aircraft, will be submitted by the Independent Democratic Union (UDI) to the Chamber of Deputies on Tuesday, 5 March.

This was disclosed by UDI legislator Ivan Moreira, who said he hopes other blocs will endorse the initiative because up to now he has heard none of the member parties of the Coalition of Parties for Democracy "who profess to be the champions of human rights" protest over the "criminal Cuban action."

Socialist Party (PS) Chairman Camilo Escalona, on behalf of his party, regretted the loss of human life as a result of the incident and said: "We hope the Cuban Government will put at the disposal of the UN Security Council [UNSC] all the necessary information to determine who was responsible for this incident."

He added: "It should be determined if Cuba or an extremist group from the United States is responsible because this loss of human life could become an international issue that could deteriorate the normalization process of Cuban-U.S. relations."

Gladys Marin, secretary general of the Chilean Communist Party, rejected the position of the Chilean representative before the UNSC by endorsing, in Chile's name, the U.S. request to sanction Cuba. She said this stance could involve Chile in new military adventures promoted by the United States "with the endorsement of the UNSC."

Moreover, the National Movement of Solidarity For Cuba voiced its support for the Cuban people and rejected statements by Jaime Somavia, Chilean ambas-

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sador to the OAS, regarding the downing of two aircraft with refugees. The movement stated that the diplomat referred to the incidents "without having all the necessary information to pass judgement" and that he involved "the rest of the Latin American countries which Chile represents before the UNSC."

Chile: Insulza on Charges Against Cuba, OECD Status

PY2702213896 Santiago EL MERCURIO in Spanish 24 Feb 96 p C5

[FBIS Translated Text] Chile, by a unanimous vote, was admitted as an observer country into the Trade Committee of the Organization for Economic Cooperation and Development, OECD. The OECD is a forum of debate comprised of all developed countries in the world.

This information was disclosed yesterday by Foreign Minister Jose Miguel Insulza, who added that Chile was also admitted, in principle, as a possible observer of the OECD Investments Committee.

The OECD Trade Committee is the forum in which the main trade policies for the future are discussed, and is also in charge of issuing trade guidelines for the future.

He said that this gives Chile the possibility of having access to a great quantity of information on trends in international trade, to coordinate policies with other countries. "Therefore, I think it is very important for an open economy such as ours."

As for the OECD Investments Committee, he said that joining it will take more time because the procedures to be followed are more delayed.

Minister Insulza said that Chile now has to review the OECD's procedural code regarding investments to see if they are compatible with the Chilean, send a Letter of Intent and, after that, receive a committee of the Investments Committee before being admitted as an observer. He pointed out that the process is underway.

Insulza added that Chile's entry into the committee represents an acknowledgement of the open nature of our economy and our willingness to participate in international free trade.

Changing subjects, Insulza said that the Foreign Ministry is gathering all the information regarding the charges of repression and imprisonment in Cuba against those who oppose the Cuban regime.

Insulza made this comment when asked about the charges made by politicians of the Coalition of Parties for Democracy who criticized the Castro regime's decision to prevent a meeting of the Cuban Council and to imprison its leaders.

The minister told journalists: "I don't have the information yet; I am asking our embassy for it."

He added that, naturally, within the framework of the UN Human Rights Commission and at other corresponding levels, Chile will assess the issue if the information is accurate.

He recalled that some of the people mentioned — not among the arrested, but among those who summoned the Cuban Council meeting — met with representatives of the Chilean delegation that visited the island not long ago.

Insulza headed a Chilean delegation comprised of ministers and businessmen that visited Cuba during the second week of January, and he met with Cuban authorities, including President Fidel Castro.

Jorge Pizarro, acting chairman of the Christian Democratic Party, said that the International Christian Democratic Movement, which also includes members of the Cuban Council, is exerting political pressure at the international level.

He added that they will ask the Chilean Embassy in Havana for information and that if the reports are confirmed, they will protest the lack of freedom of expression, through the appropriate channels, such as the Foreign Ministry.

Antonio Leal, member of the PPD [Party for Democracy] Political Commission, said that the ban on the Cuban Council meeting scheduled to start today and the imprisonment of its members represented a setback "that we hope will only be temporary, and not lasting."

Chile: Chamber of Commerce Official on Mercosur Entry

PY2702215996 Santiago EL MERCURIO in Spanish 26 Feb 96 p B14

[FBIS Translated Text] The issue related to the list of exempted products has captured people's attention in view of the imminent Chilean entry into the Mercosur [Common Market of the South]. But the negotiators of the five countries involved must also define another important issue: the regulations for direct investments.

The terms of the agreement will be an important signal for national investors who want to extend their business, especially in areas such as investment protection, double taxation, and profit repatriation.

George Lever, economic adviser of the Santiago Chamber of Commerce, explained that the agreement must provide a stable framework of protection of capital to reinforce the internationalization process of Chilean companies.

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Lever believes there are three basic principles that must safeguard the agreement: the nondiscriminatory treatment of foreign capital, the flexibility of the system for repatriating profits, and the elimination of double taxation.

He said: "Although there is already an important amount of capital invested in Argentina, the agreement with the Mercosur could be a determining factor in the behavior of the other countries, especially Brazil."

The Brazilian economy is in third place as receptor of capital of Chilean companies, after Argentina and Peru. Chilean investments in Brazil are mainly in the industrial sector.

Lever believes that the greatest opportunity for new business deals is in the privatization process to be carried out in Brazil, especially in the electric sector.

Lever said the main problem Chilean businessmen must face abroad is the great negotiating power of labor unions. In fact, this is the reason for the great delay in the privatization of Brazilian companies.

He explained: "Generally, the privatization process involves reorganization and the rational use of personnel, and this situation creates fear over the eventual loss of jobs."

Also, the size of the Argentine market and, in particular, the Brazilian market creates very serious administrative problems.

Lever explained: "The Chilean companies have good knowledge of the technological characteristics of the different sectors, but the search for partners abroad can help in having better management and improving the companies' image before the people."

Chile: Frei Visit to France Postponed Over Nuclear Issue

PY2602181896 Santiago EL MERCURIO in Spanish 23 Feb 96 p C4

[By correspondent in Paris Andrea Desourmeaux]

[FBIS Translated Excerpt] Contrary to what was expected, President Eduardo Frei will not travel to France this year. His visit, scheduled for June, has been postponed until next year due to concern within the relationship between the two countries following the French Government's decision to carry out new nuclear tests.

This has delayed the schedule of bilateral visits.

Chilean Ambassador to France Jose Manuel Morales explained that "the visit was suspended more than six months ago because the entire program of visits was suspended."

The ambassador explained that these visits will start on 19 March when a group of seven French senators will pay an official visit to Chile. After that several French ministers will visit Chile and several Chilean minister will visit France. He added that "it is likely the foreign minister will comes before the end of the year."

This exchange of visits will end with President Frei's trip. He said: "We are trying to find a date on which all agree because the trips of the president of the Republic of Chile are obviously administered from Santiago, while the French have their calender of visits by other presidents and authorities. The important point is that it has been decided that the president of the Republic of Chile will visit France, and the two Foreign Ministries are working on a very positive plan for it." [passage omitted]

Chile: Government Notes Agreement With RN on Amendments

PY2602154096 Santiago EL MERCURIO in Spanish 23 Feb 96 p C2

[FBIS Translated Text] Changing the course of the conflict that emerged over the past few weeks between the government and National Renewal [RN], the executive branch yesterday expressed satisfaction over the many great agreements achieved which favor the forthcoming general voting on the constitutional amendment proposals.

Ruling out the possibility of continuing the discussion on whether there is or not agreement on the matter with the opposition party, Minister Secretary General of Government Jose Joaquin Brunner praised RN leader Andres Allamand who confirmed the RN desire to amend the Constitution.

Brunner said the conflict over the past few weeks served to clarify and define specific points on which agreement has been reached and those on which some "not very substantial" differences persist.

Until 21 February government and RN officials were exchanging public and regular insistences on the possible existence of an agreement, referring to the amendment proposals the government submitted in October 1995 for congressional consideration.

These proposals include the elimination of designated senators, changes in the organization of the Constitutional Court, changing the National Security Council, and increasing the overseeing powers of the Chamber of Deputies.

The proposal has been approved as a whole by the Constitution, Legislation, and Justice Committee and

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should be considered by the Chamber of Deputies during the first weeks of March. If approved, it should be discussed point by point as foreseen in legislative rules.

On 21 February Andres Allamand explained that substantial differences prevail between his party and the government, but he said he favors the idea of debating the proposal.

Minister Brunner said: "(Allamand's words) represent an important development because it means the RN and the government agree that the amendment must include these four essential aspects, and that they also agree on the general ideas behind the amendments."

Brunner outlined the prevailing agreements, which state that both the government and RN want to eliminate the concept of designated senators.

He added that only the three government branches must participate in the organization of the Constitutional Court, where the executive branch, Congress, and the Supreme Court will choose the most prestigious lawyers of the country.

Concerning the National Security Council, he said the agreement states that the presidential role must be strengthened within the organization, and he said the overseeing powers of the Chamber of Deputies must be increased.

Concerning the fact that disagreements persist in the point-by- point discussions of the bill, and not on its general approval, Brunner said the government is willing to study any concrete formula that will help reach the objective of amending the Constitution.

Thus, he once again rejected the petition by UDI [Independent Democratic Union] and the UCCP [Progressive Center Center Union] for the withdrawal of the proposal from congress. He said: "If the RN agrees with the government to carry out the amendments now, there should be an overwhelming majority in the political system."

Although Brunner explained that the most important factor is progress toward the approval of the idea of debating it, he added that the executive branch will never accept cosmetic changes.

Jorge Pizarro, Christian Democratic Party [PDC] vice president, stressed after meeting with Brunner that the RN must not only agree to debate the subject, it must also respect the agreement with the government and vote on the proposal.

Concerning objections to the proposal, Pizarro said they would make sense only if they try to improve the proposal agreed upon by RN and the government. He said: "There are a number of technical details that obviously must be taken under consideration."

Although Pizarro agreed that the constitutional amendment proposal submitted by the executive branch can be improved, he explained that the proposal submitted by RN Deputy Luis Valentin Ferrada is just the opposite, and for this reason he again rejected it.

Pizarro said that the government must not withdraw the proposal from congressional discussions, adding that the petition submitted by the UDI and the UCCP on this matter only highlights the existence of an agreement between the government and RN to develop the democratization process.

Asked if the coalition will submit the proposal on human rights even if the constitutional amendments proposal fails, Pizarro said that it will be approved because the idea is to seek reconciliation and the truth.

Chile: RN Head Denies Pact With Executive on Amendments

PY2802012596 Santiago EL MERCURIO in Spanish 22 Feb 96 p C2

[FBIS Translated Text] Highlighting the subsistent significant differences between his party and the government on constitutional issues, National Renewal [RN] President Andres Allamand said yesterday that "even an elementary school child" can conclude that there has never been an agreement between RN and the administration over the text of the constitutional amendments drafted by the government.

In so doing, Allamand answered Christian Democratic Party [PDC] President Alejandro Foxley, who, on 20 February, urged him to uphold his word and acknowledge the agreement that RN has achieved with the administration over the constitutional amendments known as the "Frei II Proposal."

Foxley yesterday again urged RN to define who its spokesman is and to explain the crisis that has affected the party over the past six months during which it has been unable to achieve an agreement over the constitutional reforms with the administration.

Allamand said that Foxley's appeal is absurd "because he knows as well as I do about the situation involving the negotiations concerning the constitutional reforms, and in view of this, he should act with the seriousness that the situation demands."

Moreover, he described as ineffective and irrelevant the current controversy which this week has centered on the existence of an eventual agreement between RN and the administration when in fact the crucial issue lies in the

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viability of the constitutional reforms. In fact, the future of the constitutional amendments depend on the votes of RN senators.

Allamand believes that none of those interested in approving the constitutional reform — Foxley among them — can "wash their hands" regarding this issue by claiming alleged responsibilities.

Despite the current disagreements, Allamand believes that in view of the fact "that the administration and RN agree on the need to amend the Constitution," what must be done is to achieve an overall agreement on the need to debate the constitutional amendment bill that is currently being discussed in the Senate and to discuss the details and achievement of definitive formulas during the actual legislative debate and proceedings.

Allamand insisted that there is no agreement between RN and the administration and added that the executive branch unilaterally amended the draft bill and that it only incorporated some ideas from RN members "while maintaining others that are unacceptable for RN."

He said that this is not the case with the human rights bill, regarding which a formal agreement was signed by Senator Miguel Otero who was duly authorized by the RN political committee and the RN General Council in Temcuo. This proposal is known as the "Figueroa-Otero" proposal.

Commenting on the redrafting of the constitutional amendment proposal by the executive branch, Allamand said that "everyone is perfectly aware that RN had pointed out the mistakes of the original draft," and that he and Senator Otero had urged the executive branch to perfect it.

He explained that the administration had heeded their suggestion and that in keeping with their suggestion, the executive branch included in the new draft "ideas and proposals encompassed in previous draft bills, including those proposed by RN senators."

According to RN, the "substantial" differences encompassed in the constitutional reform — even in the new draft — center on the "unacceptable" deciding vote granted to the president within the framework of the National Security Council; the automatic expansion of Senate seats through the abolishment of designated senators; the formula which states that in case of a disagreement between the president and the Senate, it is the president's opinion that prevails; and regarding the Constitutional Court and authorizing a quorum of more than one-third for establishing investigative commissions and the summoning of cabinet members for congressional oversight purposes.

Alejandro Foxley has again urged RN to identify a valid RN interlocutor to achieve an agreement on the constitutional issue.

According to Foxley, this is because the internal RN crisis lies in that some members of RN groups do not support the RN president's decisions, in addition to the new RN constitutional proposal drafted by Deputy Luis Valentin Ferrada.

Chile: Acting Interior Minister Interviewed

PY2802033096 Santiago ESTRATEGIA in Spanish 26 Feb 96 pp 35, 56

[Interview with Acting Interior Minister Belisario Velasco by unidentified reporter; place and date not given]

[FBIS Translated Text] [ESTRATEGIA] As for drugs, can we say that Chile has really ceased to be a corridor because consumption has allegedly increased?

[Velasco] One thing has nothing to do with the other. The fact that consumption increases does not mean that drug exports or traffic has dropped. We know, for a fact, that drugs are shipped from Chile because shipments have been seized. Neither of the neighboring countries of Peru and Bolivia, the two top drug producers in the world — Peru with more than 40 percent and Bolivia with almost 40 percent — can say that they are not used as corridors for drug trafficking. Now then, the Chilean Government, for ethical reasons and in order to safeguard its people, makes every effort possible to prevent this. Since 1990 Chile has had a national policy to fight drug trafficking and even money laundering. Private enterprise has also adopted a series of measures designed to tackle the following aspects of drug trafficking: prevention, control, and rehabilitation. A global approach has been given to the problem as the only means to solve it. An effort is being made to make the country aware that drugs are a nationwide problem, not a problem merely of the government or of a group of people. Therefore, it is a state problem.

[ESTRATEGIA] How much has drug consumption increased in the country?

[Velasco] It is hard to give a percentage because only two surveys have been conducted so far, one in 1990 and another in 1994. Moreover, not every drug user confesses to being one.

[ESTRATEGIA] But would you say that consumption has increased during the past 15 years?

[Velasco] Drug trafficking in Chile, either for consumption or en route to other countries, during the past 15 years has increased for national and international reasons. As everyone knows, the U.S. Government did a lot

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against this problem in Panama and Colombia, so drug traffickers sought other channels. Drugs left in greater quantities through Brazil, Argentina, Chile, or Ecuador.

[ESTRATEGIA] How serious is the drug laundering problem in Chile?

[Velasco] Money has been laundered for a long time and will continue to be laundered for some time. The important thing is that now it is classified as a crime, it can be sanctioned, and the State Defense Council has the power to seek information, start trials, and investigate in this field.

[ESTRATEGIA] How many cases of money laundering have being brought before the courts since it was classified as a crime?

[Velasco] One year has not yet elapsed since it was classified as a crime, and various cases are still being investigated to be brought before the courts.

[ESTRATEGIA] How many cases are we talking about?

[Velasco] I couldn't give a figure.

[ESTRATEGIA] What sum of money is believed to be laundered?

[Velasco] The figures that could be mentioned are merely speculative. Nobody in Chile can give even an approximate figure.

[ESTRATEGIA] Senator [Sergio] Bitar said that perhaps approximately $500 million is laundered per year in Chile.

[Velasco] I do not know on what he bases that estimate.

[ESTRATEGIA] In what sectors do drug traffickers usually invest money?

[Velasco] They usually invest in construction, tourism, transportation, as well as any other item that may appear very legal, such as foreign trade....

[ESTRATEGIA] According to the Banks Association, no Chilean institution or bank executive has been involved in money laundering operations....

[Velasco] The interior minister does not accuse nor acquit anybody. That is up to the courts. We know of no bank that is laundering money. Quite the contrary. The financial institutions have endorsed the government policies.

[ESTRATEGIA] The Banks Association has proposed improving the mechanisms to become more acquainted with the clients. Would that be enough?

[Velasco] No measure, on its own, will be enough.

[ESTRATEGIA] In addition to reporting transactions involving large sums of money or suspicious transactions, what other measures are being studied?

[Velasco] Giving the State Defense Council greater power.

[ESTRATEGIA] Such as?

[Velasco] This issue is being looked into. I'd rather not say anything in this regard....

[ESTRATEGIA] Is it likely that once a law has been modified, it will have a retroactive effect?

[Velasco] A law is not retroactive. However, in the case of money laundering, it is as valid yesterday as it is today because we are talking about the same crime. Any money laundering operation can be investigated, regardless of the date on which it was carried out.

[ESTRATEGIA] The government has noted that Chile is one of the countries in the world with less corruption. However, money laundering entails the threat of corruption. Have there been any cases in which public servants appear involved in suspicious transactions?

[Velasco] I just want to point out that a UN report is responsible for placing Chile on the list of nine countries in the world with less corruption. That there are cases of corruption in Chile is a fact, but they are investigated, made public, and, in addition to being condemned by society, are sanctioned by the courts. And this will continue to be the case. It is quite likely that some public servants may be involved in money laundering. I don't know about anyone, but I cannot assert that of the 5,000 public servants, there aren't one or two involved in money laundering.

[ESTRATEGIA] Does the government plan to strengthen the Comptroller's Office by giving it more power and resources?

[Velasco] I share Arturo Aylwin's viewpoint that the Comptroller's Office needs more funds. The role played by the Comptroller Office's in a democratic system is very healthy and it is a good thing that this institution permanently audits the organizations because it serves as a preventive measure. In the municipalities, rather than corruption the problem was the fact that the mayors did not know what their duties really were.

[ESTRATEGIA] You say that in some cases it is a lack of knowledge, but shouldn't cases such as that involving Codelco [Copper Corporation] or Esval [Valparaiso Sanitation Enterprise] represent a warning?

[Velasco] Of course. Chile does not safeguard corruption, nor are any laws banning investigations approved.

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There is freedom to investigate, there is the Comptroller's Office, the courts function freely, and the questions posed by the communications media are answered. The cases you have mentioned, and others, are a fact. Nevertheless, these cases do not make Chile appear as a corrupt country.

[ESTRATEGIA] If the Comptroller's Office is so important, why has Congress spent the past four years discussing a bill referring to its organizational law, and seem unwilling to step up discussions?

[Velasco] Some project take time....

[ESTRATEGIA] Hasn't the possibility of giving it urgent treatment been looked into?

[Velasco] That decision must be taken by the political inter- ministerial committee. It is one of the issues it will discuss in March.

[ESTRATEGIA] The financing of electoral campaigns is a sensitive issue in the political arena. What does the government have in mind regarding this subject?

[Velasco] Some people are in favor of the state apparatus financing all the political parties with the purpose of making the elections and the origin of the funds an open issue. Many believe this is the healthiest system because all the money is generated locally. It is much more open if the state finances the campaigns. It would be a good way of restricting expenditures and making it clear. We have several campaigns coming up in the future and must be austere. Some candidates have spent millions of dollars and people wonder "where they get it from." But so far no agreement has been reached within the Coalition of Parties for Democracy, nor the opposition, nor the government. There is a lot of speculation regarding this subject, just as there was regarding the shortening of the presidential term. Neither the subject of the financing for political parties nor the length of the presidential term are on the government's agenda for this year.

[ESTRATEGIA] More than one year ago, the Public Ethics Committee proposed the need for open political party finances. In addition to this public financing, has the government thought of any other measure, such as having candidates declare the amount of their contributions?

[Velasco] These issues are being discussed, but nothing has been approved yet.

[ESTRATEGIA] What do you think about the political scenario of the coming months? Will we spend another year discussing the constitutional reforms?

[Velasco] I hope not. For ethical and moral reasons, it is a good thing the reforms were submitted to Congress; they resolve political problems we have been enduring for years.

[ESTRATEGIA] Don't you think it would be better to suspend the debate on a bill that is agonizing?

[Velasco] No. We believe the country needs the reforms in order to be able tackle great issues that concern the citizenry.

[ESTRATEGIA] Concretely, how does the government plan to take a turn to the socio-economic field?

[Velasco] The government is not going to take a turn. It has permanently upheld an economic policy called social market economy, in which our priorities are: education, infrastructure, and productivity.

[ESTRATEGIA] However, the constitutional reforms seem to be the government's priority issue....

[Velasco] The budget figures indicate exactly the opposite. The problem is that more publicity is given to political issues, to the comings and goings, than to what is done on a daily basis, things done more quietly but already beginning to be appreciated by the country.

Chile: Rodriguez Movement Urges 'Patriotic Disobedience'

PY2702211296 Santiago LA TERCERA DE LA HORA in Spanish 26 Feb 96 p 7

[Article by Marcelo Padilla V.]

[FBIS Translated Text] On his 211th birthday, he "deserved" the carnations he received. Manuel Rodriguez Erdoiza yesterday "celebrated" his birthday, and a group of supporters of the Manuel Rodriguez Patriotic Movement (MPMR) visited his tomb at the General Cemetery to pay homage to him as part of the activities of the Fourth National Encounter of the organization being held currently in Santiago.

MPMR leaders Leandro Torchio and Sergio Varas said that the spirit of Rodriguez and his desire for freedom and justice "are still present in many generations of Chileans who continue to long for a second independence in Chile."

According to Torchio, this is so because they clearly understand "that the fatherland is not well, and we need to call all Chileans to be united to build, once and for all, a strong popular movement."

In light of this, the MPMR has decided for a policy of "patriotic disobedience," as Torchio terms it, which means an "attitude of continuous rebellion to become a real opposition to this system, part of which is the right, the military power, and the coalition," he said.

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According to representatives of the movement, "in Chile there is no democracy, and the current model violates the people's sovereignty, because it is based on the power of money."

Thus, the initial attitude they propose is rather a "worthwhile" manner of rejecting this reality by way of "disobeying the injustices," the leaders explained.

They added that the MPMR began contacts with several social organizations from throughout the country to promote this attitude among the people and prepare for the forthcoming municipal elections.

Thus, they expressed confidence that their position will be followed by many sectors of the country, "because the polls and the current situation show that dissatisfaction is increasing. We are not the ones who are saying that there will be social explosions if there are no changes," Torchio said.

Colombia

Colombia: U.S. To Issue 'Neutral' Decertification 1 Mar

PA0103035296 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 1 Mar 96

[Report by announcer Maria Cristina Uribe and correspondents Cesar M. Velasquez and Daniel Rocha in Washington; from the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT on 1 March]

[FBIS Translated Excerpt] [Uribe] One day before the U.S. announcement on whether Colombia passed the certification test on the struggle against drugs, the decision in Washington seems to be in favor of decertification. Reportedly, the decision will not include trade sanctions, but it will certainly involve economic obstacles. Nevertheless, the announcement could change in the next 24 hours.

Here is a report via satellite by our correspondents in Washington. Good evening, Daniel and Cesar.

[Rocha] Thank you. Good evening from Washington.

[Velasquez] Attention in Colombia. The "Seven O'Clock Newscast" has just learned the U.S. Government's final decision on Colombia's certification. This is a confidential report:

The Colombian Government will not receive the certification. The White House endorsed the Department of State's report, which asked for the decertification of President Ernesto Samper's government for critical reasons of narco-corruption. U.S. Government sources revealed this afternoon that the language used in the decision is strong but moderate, without leaving room for future charges of intervening in the Colombian Government's critical situation.

The "Seven O'Clock Newscast" has learned that the decertification is neutral, meaning it was not complemented with new demands; and the first effect will be economic, because international bank credits — Colombia requested more than $350 million from the Inter-American Development Bank, World Bank, and IMF — could be subject to an operational slowdown, which would affect in a matter of days the social plans of President Ernesto Samper's government.

The most important aid, $30 million that the United States gives annually to Colombia's police to fight drug trafficking, would continue. Only the contributions to social programs would be cut. In the economic sector, only the Colombian sugar quota to the United States would reportedly be reduced.

U.S. Trade Representative Michael Kantor disagrees with the measure and is seeking some way to prevent this. The report that will be released tomorrow praises the Colombian police's work, the efforts exerted by National Police Director General Rosso Jose Serrano, and the investigations conducted by Prosecutor General Alfonso Valdivieso.

[Rocha] We also went to the U.S. Congress. This is what we found: THE WASHINGTON POST activated a strong controversy with its editorial today. It told the Clinton administration that the certification is not fair to Latin America. [passage omitted]

The Senate's Judicial Affairs Committee unanimously approved today General Barry McCaffrey as new drug czar, thus making a 180-degree turn in the office's policy. Colombia still has good friends in the Judicial Affairs Committee. [passage omitted]

The information is confusing right now. Highly reliable sources assert Colombia will be decertified. This can only be confirmed tomorrow.

[Velasquez] Your correspondents Daniel Rocha and Cesar Velasquez will bring us all the information from the U.S. capital tomorrow. Good evening.

Colombia: Botero To Give Deposition at Electoral Council

PA2902234696 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Feb 96

[Report by anchor Maria Beatriz Echandia in the studio and reporter Alberto Medina at the National Electoral

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Council in Santa Fe de Bogota; from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1830 GMT 29 Feb — live]

[FBIS Translated Text] [Echandia] Former Defense Minister Fernando Botero is testifying before the National Electoral Council [CNE] at this hour. The handling of bookkeeping in campaigns that surpassed legal spending limits is being investigated there. We now contact Alberto Medina at the CNE. Good afternoon, Alberto.

[Medina] Fernando Botero has been in here for over two hours, freely and voluntarily expounding his version of the handling of funds in President Samper's campaign. Furthermore, the former minister is trying to explain to the CNE the way in which resources were diverted, when they were increased, and when limits established by the CNE were suddenly surpassed or in the runoff elections. [as heard] Shortly before entering to give his deposition, the former minister said the following to the media:

[Begin recording] [Unidentified reporter] Doctor, how do you see the current crisis in the country?

[Botero] Very critical. Am I not right?

[Reporter] [Words indistinct] journalist Ana Lisa Mir?

[Botero] It is an outrage.

[Reporter] It is said she had in her possession documents that you had given her and that threatened national security."

[Botero] That is absurd.

[Reporter] Will you initiate any legal action to clarify that situation?

[Botero] Everything possible. [end recording]

[Medina] It was also learned President Ernesto Samper will come to the CNE facilities on Monday to deliver, or expound, his free and voluntary version of these same events.

Moreover, the Andres Pastrana campaign, which has also been involved in the issue of exceeding campaign financing limits, was also represented here. The accountant, Dr. Luz Nelly Fajardo, came accompanied by her lawyer. This is what her lawywer said upon leaving the CNE facilities.

[Begin Camilo Gomez recording] The uppermost limit set for Andres Pastrana's campaign is 4 billion pesos, donated by private citizens, plus 1.7 billion that the state gave him. This results in a total of 5.7 billion pesos. The CNE itself has publicly stated that the resources given by the state cannot be included in the limits. [end recording]

Colombia: Botero Makes 'Explosive' Statements on Samper

PA0103025296 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 1 Mar 96

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Former Minister Fernando Botero spoke again on 29 February. As the strongest political opponent of President Samper, Botero criticized the social leap [salto social] and the president's permanence in his post. He made these statements on his way out of the Electoral Council where he testified on the violation of [expenditure] ceilings by the Liberal Party campaign:

[Unidentified reporter] Amid strict security measures and an impressive military cordon, Former Defense Minister Fernando Botero made explosive statements against President Samper after testifying for over six hours before the Electoral Council.

[Begin Botero recording] Today we are on the verge of an international crisis in view of the many difficulties facing Colombia's certification. The social leap is being devoured by the voracious unionism of the Agrarian Fund and Ecopetrol [Colombian Petroleum Enterprise] and the economic crisis is reaching worrisome levels. [end recording]

[Reporter] The former minister assured that President Samper has resorted to all means at his reach to cling to power:

[Begin Botero recording] But all the aforementioned pales in comparison to the sad reality that the country is being (?sacrificed) to achieve the acquittal of the president of the Republic. The distribution of bureaucratic posts and contracts among the congressmen, who are the so-called natural judges of the president, the upcoming bidding of FM stations, and the use of secret state police services to intimidate, trample, and harass the witnesses of the so-called Case 8,000, as well as their advisers, and close supporters are part of an ominous conspiracy to save Ernesto Samper in detriment of the nation's supreme interests. [end recording]

[Reporter] President Samper will testify before the Electoral Council on 4 March.

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Colombia: Congress President on Samper Proceedings

PA2902203696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1300 GMT 29 Feb 96

[Telephone interview with Congress President Julio Cesar Guerra Tulena, place note given, by Caracol News Director Dario Arizmendi and an unidentified reporter in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] We greet Julio Cesar Guerra Tulena, president of the Colombian Congress.

What do you think about the decision by the Senate and the First Committee of the Chamber to lift the confidentiality of the summary proceedings, as the president had requested, and about the justice minister's intention to modify the rules on incognito witnesses once the Chamber and the Senate consider these rules during the plenary sessions. An article says these types of witnesses may remain for cases pertaining to drug trafficking but must have no participation in cases against the chief of state.

[Guerra] Just as the people and Congress have expected, it was decided during the initial phase of this bill to lift the confidentiality of the proceedings, a decision which will be very positive, because sessions at the Accusations Committee and the plenary meeting will be public. I have some reservations about modifications of congressional regulations or Law No. 5. I am talking about Article No. 131, which eliminates secret voting at Congress. I do not think this idea is good for the institution or the security of congressmen; thus, I am bringing this matter to the attention of the Chamber of Representatives, which will meet on 7 August [as heard] at 1000 to try to eliminate this article introduced when the joint committees were meeting.

Regarding the justice minister and the incognito witnesses, I do not think it is appropriate to have the incognito witnesses at a trial for the president of the country, because they are witnesses for narco-terrorism and for policy on common criminals.

[Arizmendi] Are those who have tried to use incognito witnesses in the case of the chief of state being disrespectful?

[Guerra] Not only in the case of the chief of state. We have said this point repeatedly in the media: Incognito or secret witnesses represent inequity, an imposition; this issue must not remain in the Colombian judicial system. We have tried to negate this matter in Congress on several occasions, but the thesis of maintaining it until 1999 has prevailed. I think it will be useless to insist on this issue. We cannot permit the participation of incognito or secret witnesses in this process.

[Reporter] Why fear a decision by Congress? If the idea is to have clarity, why do we not have everything public and then the decision [words indistinct] world?

[Guerraa] No. I think nominal voting cannot be turned into a law, something which is what has happened to the first part of the modification of Congress regulations by the joint committees. This voting must be voluntary by Congress; that is, the law establishes that there are four forms of secret voting: 1) elections; 2) amnesties; 3) pardons; and 4) on accusations against the president.

[Arizmendi] Does this point apply in the case of the president only, or does it also apply in the case of trials for a prosecutor, the attorney general, or Supreme Court justices?

[Guerra] Letter E of the Law on Congressional Regulations speaks only of accusations against the president; this part is being taken out of Article 131 proposed during the joint committees meeting.

[Arizmendi] Who proposed that and why?

[Guerra] The truth is, I cannot say right now who has proposed it, but the answer can be found out easily. I did not participate in the deliberations of the joint committees. What I want to point out, especially to the members of Congress, is how dangerous the elimination of this secrecy would be for the security of congressmen, because the country is polarized between a yes and a no, and it is only fair to keep this matter secret; otherwise, it would be like lifting the secrecy of trial juries to know how their members vote.

[Reporter] On the eve of the U.S. certifying or not Colombia's struggle against drug trafficking, what do you expect, and what do you think of the alternatives that may arise?

[Guerra] I think that whatever measure is adopted will have an effect on the United States. It could be dangerous for the U.S. antidrug policy.

In Colombia Yesterday, the international board that supervises or oversees narcotics approved Colombia's policy, and this board comprises several countries of the world, of the United Nations.

I think the common sense of the U.S. Government will prevail in this evil process that is molded inside the Capitol in Washington and by many people in Colombia. It is stupid to say we have done nothing in Colombia. It would be unacceptable meddling by the Colombians [as heard] to decertify Colombia only to harm the Samper administration.

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[Arizmendi] Conservative Representative Roberto Camacho is the author of the bill calling for the elimination of secret voting in the case of the president so the voting will be public in this trial.

[Guerra] He must have his reasons, but I want to alert the institution and the members of Congress about the danger this matter represents to the people, to those who are polarized by a yes and a no.

Colombia: Reaction to Samper's Death Penalty Proposal

PA2602181496 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 22 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television in Spanish at 0100 GMT 22 Feb]

[FBIS Translated Text] President Ernesto Samper's death penalty proposal has unleashed great controversy. While the church and the antikidnapping czar strongly oppose the idea, some congressmen favor it:

[Begin recording] [Alberto Villamizar, chief of the Antikidnapping Unit] Personally, I would prefer that kidnappers be sentenced to about six consecutive life terms.

[Senator Juan Guillermo Angel] I would vote for anything to end atrocious crime, violence, and barbaric acts in Colombia, but I believe the death penalty is a measure that makes the state just as barbaric.

[Senator Jaime Ortiz] I personally do not favor the death penalty. I believe every human being should always have another opportunity. I believe God gives lasting existence.

[Representative Pablo Victoria] It seems like a very good proposal. My campaign to the chamber of representatives was based on the death sentence. I believe I can improve Dr. Samper's proposal by including terrorism and paid assassins.

[Senator Luis Emilio Sierra] I believe yes for those types of atrocious crimes and kidnappings.

[Supreme Court President Jose Roberto Herrera] It is a subject requiring much wisdom and the greatest calm, reservedness, and forethought. [end recording]

Colombia: Foreign Minister Views Death Penalty Issue

PA2602181096 Santa Fe de Bogota EL TIEMPO in Spanish 25 Feb 96

[Interview with Foreign Minister Rodrigo Pardo by Jorge Gonzalez P.; place, date not given; first three paragraphs are introduction — received via Internet]

[FBIS Translated Text] San Andres Island — Amid the brouhaha of the debate on the involvement of drug trafficking money in the presidential campaign, the question sounds direct, sudden: Would the government also want to promote the death penalty for drug traffickers?

Rodrigo Pardo, the individual responsible for pulling the strings of international policy in the country, hesitates for a second and assesses the impact this proposal would have within the community of nations. Then he says no, that he has never supported the death penalty but then adds that life in prison could be considered for crimes that international law defines as crimes against humanity.

He also talked about the proximity of a U.S. verdict regarding the certification and about the damage caused by a recent charge leveled by the prosecutor general against the president.

The president has proposed the application of the death penalty on kidnappers and those who commit atrocious crimes. Would you agree with the application also to drug trafficking, which is considered a crime against humanity?

I agree that discussion on many penalties should be broadened in many ways. It is essential to study alternatives to toughen punishments for the most atrocious crimes regardless of whether the death penalty is applicable. We could think about increasing prison sentences and even life imprisonment.

Last year an international disturbance decree to increase prison terms for drug traffickers was studied and drafted, but it was concluded at that time that an action of this nature implied an overall review of prison terms for other crimes to ensure full consistency in penal matters.

But would you, nevertheless, like to include drug trafficking among the crimes punishable with the life sentence?

This issue is a difficult one for me, because I have always opposed the death sentence and because I think its application would also imply rejecting certain international commitments that are useful for Colombia when it comes to protecting human rights.

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The president has actually proposed a discussion of the death penalty as a symbol of a goal that is legitimate and necessary; that is, the toughening of punishment for the crimes that harm society the most. If we understand thes toughening under this light, I believe, of course, drug trafficking should be included.

Although the president has said he is not losing any sleep over the certification issue, is the government "striving" to obtain it?

An urgent clarification is needed here. The fact that the government has stated that it is not losing any sleep over the certification issue does not mean it is not important to the country or that it is not interested in it. Certification is an instrument that is part of U.S. domestic legislation, and there are no bilateral mechanisms to work on it.

The statement that we are not losing any sleep means Colombia has a policy to fight drug trafficking based on specific goals: to reduce the number of hectares of illegal crops, to persecute Cali capos with no respite, to try the narcs, and to improve the legal framework on repressing the narcs.

The truth is that our search for efficiency in this struggle makes us lose much more sleep than obtaining a U.S. certification.

In your opinion, have the charges the prosecutor general has leveled against the president spoiled the certification?

It is imperative that I clarify this matter. We must bear in mind that the certification, in keeping with U.S. law, assesses the cooperation of a country for a determined period of time. The certification President Clinton will have to propose to his country's Congress on 1 March will gauge the degree of cooperation during 1995.

Let us recall that Clinton himself has recognized that cooperation has yielded excellent results. He made this remark before the United Nations and in various speeches during his election campaign. In those speeches, he underscored the successes of his government's anti-narcotics efforts and lauded the cooperation given by Colombian authorities.

But what about the impact of the charges?

I think the political situation in Colombia and the United States creates a framework of difficulties for the certification process. In the absence of a political crisis in Colombia and political difficulties in the United States, due to the proximity of an electoral campaign and a clash between Republicans and Democrats and of the fact that drugs have become a campaign issue, we would have no problem whatsoever in obtaining a certification.

The charges have undoubtedly tarnished our international image. Case 8000 in general tends to strengthen the idea that Colombia is a narco-democracy and the preconceived idea that drug money subjugates society here.

I am convinced those investigations will be viewed in a different light in the long term, because they will show that our society is unwilling to yield to mafia money.

As mentioned in preliminary investigations, has his personal situation closed doors for him in the diplomatic arena?

No. The topic in general has had an effect in the United States and has affected our relations with that country due to a hypersensitivity to it. The international community respects the fact, however, that this crisis is a domestic one and that it is our responsibility to resolve it. In addition, this crisis is giving us the historic opportunity to prove to the world that we will be capable of shaking off the drug stigma.

I propose to look at concrete facts: We are about to deal a definitive blow that will finish the Cali cartel. We still have two members of its leadership to arrest. We will produce incontestable evidence when we accomplish this goal and put them with the other six who are already in prison.

Colombia: Defense Minister Denies U.S. Pressure on Visa

PA2902012396 Madrid EFE in Spanish 1540 GMT 26 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 26 Feb — Colombian Defense Minister Juan Carlos Esguerra today denied that the U.S. Government is applying pressure to have Military Forces Commander General Camilo Zuniga Chaparro dismissed.

Esguerra noted that the possible resignation of the high-ranking officer is a personal decision, and he added that this is unrelated to rumors that the United States reportedly revoked the general his visa, which the official denied.

Minister Esguerra reported that U.S. Ambassador to Colombia Myles Frechette assured him on 25 February that his government is not pressuring for Gen. Zuniga's dismissal and has not revoked his visa.

Rumors about the possible withdrawal of the commander of Colombia's military forces has gained strength after a last-minute meeting of high-ranking officers at the Narino Palace late on 23 February.

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"It has become clear that Gen. Zuniga's resignation is solely and exclusively in his hands," the defense minister told the local media.

Esguerra noted that during the meeting, which focused mainly on the military forces' budget, the high command supported Zuniga.

The general assured that he presented his resignation to Colombian President Ernesto Samper in November, but the president asked him to stay.

The U.S. media mentioned Zuniga among six Colombian generals whose visas the government in Washington planned to cancel for their noncommitment to the antidrug struggle in Colombia.

Colombia: Court Supports Special Measures Decree

PA2902033096 Santa Fe de Bogota EL TIEMPO in Spanish 23 Feb 96

[Received via Internet]

[FBIS Translated Text] A vote spared President Ernesto Samper's administration from suffering a new setback in the judicial sector last night regarding the internal disturbance issue.

In a ruling that divided magistrates, five votes against four, the Constitutional Court endorsed the special official measures [regimen de excepcion oficial] adopted to conduct raids and tap telephones even with a verbal order.

The court supported Decree 1901, through which the government countered a reduction in sentences and the granting of any other type of benefit for people who are charged or sentenced for carrying out serious actions to disrupt public order.

Likewise, the government established sentences ranging from five to 10 years for those who fail to report a crime; and it supported the system for rewards and secrecy concerning the identity of whoever reports a crime.

According to the Court's majority bloc, the decisions represent a development regarding measures adopted by the Samper administration following former presidential designate Alvaro Gomez' assassination on 2 November.

In their opinion, the violence unleashed by drug trafficking, subversion, and common crime can be neutralized, only in exceptional cases, with decisions adopted under the internal disturbance law.

The provision was supported by Magistrates Antonio Barrera, who submitted the proposal, Jorge Arango, Fabio Moron, Hernando Herrera, and Vladimiro Naranjo.

Jurists Jose Gregorio Hernandez, Eduardo Cifuentes, Alejandro Martinez, and Carlos Gaviria cast a dissenting vote.

The four magistrates consider that the decisions stated in Decree 1901 have no relation whatsoever with the motives invoked by the government when it decreed a state of internal disturbance.

Thus, they said when casting a dissenting vote, not only the Magna Carta but the Justice Law were violated.

In the opinion of Hernandez, Cifuentes, Martinez, and Gaviria, the decision — which includes all kinds of crimes — does not correspond to the crimes of terrorism invoked, in principle, by the Samper Administration.

In their opinion, the endorsement of the initial decree declaring an internal disturbance — through which the law becomes effective — in no way implies that the court must support the constitutional character of other special decisions.

Through Decree 1901 the government empowered the authorities to issue arrest warrants against persons whose name is unknown (based only on their description); as well as carrying out the preventive arrest of persons who have presumably participated in an illegal action. Their situation must be defined in 36 hours.

Colombia: Commentator on Charges Against Samper

96SM0123A Santa Fe de Bogota EL TIEMPO in Spanish 25 Feb 96 p 5A

[Commentary by Enrique Santos Calderon: "Due Process? Ha!"]

[FBIS Translated Text] There will be plenty of time to discuss the still effervescent proposals for early elections and "amnesty" laws. It seems more important to me, just now, to comment on the complete text of the criminal complaint filed by the prosecutor general against President Samper. EL TIEMPO decided to publish it on Friday in its entirety, deeming it to be a historic document, the contents of which cannot be concealed from Colombians.

Besides the fact that sections of the complaint were already being leaked in snippets by various media, the considerations regarding violation of the secrecy of the proceedings are disputable, and even irrelevant, compared with the public's right to be fully informed of a situation in which the supreme national interest is at stake.

In cases such as these, secrecy of the proceedings and similar legal sophistries have almost always served as

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instruments for hiding the truth, favoring impunity, or simply obstructing processes that should not be extended indefinitely, for the good of the country.

Such considerations prompted this newspaper, in August of last year, to publish the complete text of Santiago Medina's unsworn statement, which proved to be a decisive factor in the public's understanding of a scandal the real dimensions of which had not been grasped by public opinion. The detailed revelations of the Samper campaign's general treasurer shook the country and, from then on, there was no possible retreat from the progressive disclosure of the worst political crisis of the past 50 years.

So, let us proceed to the prosecutor general's complaint. Its careful reading leaves two things clear: First, that, between the first and runoff votes in the presidential election, the campaign directors and the president were engaged almost exclusively in obtaining money. Second, that after the electoral victory their action was aimed at preventing anyone from learning how that money had been obtained.

The first point is associated with the entry of the "narco-money," and the role played therein by the president. The document of the Prosecutor General's Office makes a fundamentally logical observation on the subject to the Chamber's Accusations Commission when it inquires whether, "since the financial factor was one of the chief problems facing the campaign when the runoff election began, it could be reasonable for the leading protagonist, the candidate himself, to play no part in resolving the financial trouble spot, and not to notice the metamorphosis in his campaign, which was moving from a distressing deficit to a state of solvency."

The second point is related to the concealment of what occurred. And here, based on the testimony of the campaign's top-ranking strategist, Fernando Botero, what the complaint filed by the Prosecutor General's Office reveals is frankly terrifying.

Mention is made of dozens of meetings (at the Palace, in Cartagena, and in Hatogrande), at which Samper's intimate circle, with the president, devised a "gigantic concealment operation." Botero details no fewer than nine different strategies, ranging from seeking the means for removing the prosecutor general and vice prosecutor general, including the use of competitive bids for television broadcasting stations and programs to manipulate the media, and offering positions and privileges to members of the Accusations Commission, to the use of state apparat to discredit or intimidate persons who could testify against the government.

It seems fantastic, but it is not difficult to prove some of the strategies mentioned. I am thinking of the very close vote in the Council of State on the fate of Prosecutor General Valdivieso. I am thinking of the bureaucratic privileges for the chairman and vice chairman of the Commission, the stance toward the crisis of certain media and journalists involved in competitive bids, and the threats and attack on his residence suffered by the Prosecutor General's Office's first witness, Andres Talero....

And, in view of the prosecutor general's complaint and all that it contains, I am thinking of President Samper's attitude: arrogant, to say the least. Not only does he continue acting like a broken record, repeating that it all happened behind his back, that it is all slander, and that everything is a conspiracy. But now, he takes the liberty of scolding reporters, denying that the crisis has distracted him "for a single moment" from his task of governing, claiming that his resignation would not solve anything, and asserting that there were no deaths in this process.

Don't ask me with what nerve, but he has been saying all this, and much more, lately (didn't you hear it on a two-hour program aired by RNC [Colombian National Radio]?). And, although there is little by now that is shocking or scandalous in the president's conduct, it does not fail to puzzle me how he can talk in a martyr-like tone, and complain about the "infamy" and "personal sacrifice" to which he has been subjected, invoking the images of a Luis Carlos Galan or a Rodrigo Lara Bonilla.

Please! How can he talk about infamy and personal sacrifice when he has subjected an entire country to a similar sacrifice because of his personal obsession with clinging to power? Is it not infamous to invoke authentic martyrs of the drug traffic as models of his political conduct, when the latter has always been contrary to that of a Lara or a Galan?

And, to top it off, instead of at least taking leave while his judgment lasts, as has been requested by bishops, business owners, and 57 percent of Colombians (see today's poll), Samper has set out to tour the entire country with an intense political campaign charged to the national budget.

This campaign includes the rampant distribution of positions and contracts to congress members (his judges), through the new expedient of congressional aid (the so-called co-financing funds), which already exceed 160 billion pesos.

And then there is talk of respect for "due process." How ironic!

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Ecuador

Ecuador: Leoro Says Peru's Accusations 'Absurd'

PY0103015096 Quito Voz de Los Andes in Spanish 2300 GMT 29 Feb 96

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco has termed absurd and absolutely groundless the Peruvian denunciation of a supposed violation by the Ecuadoran Army of the demilitarized zone. It is absolutely absurd and groundless because Ecuador was the first to request the conclusion and verification of the demilitarized zone in the zone of conflict where troops of the two nations confronted each other last year.

Saying that Ecuador has not built any installation in the demilitarized zone, Leoro Franco urged the MOMEP [Ecuador-Peru Mission of Military Observers] to verify the enforcement of point five of the Itamaraty peace agreement, but on both sides of the border.

The foreign minister added that the nonaggression pact Quito proposed to Lima, which was rejected, was proposed within the framework of the terms of the UN Charter, and referred to the establishment of a commitment between Ecuador and Peru not to use threats or force.

Ecuador: General Says Accord With Peru 'Not Violated'

PY0103015396 Quito Voz de Los Andes in Spanish 2300 GMT 29 Feb 96

[FBIS Translated Text] General Jorge Ortega, chief of the Ecuadoran Armed Forces Joint Command, has said that the Ecuador-Peru Mission of Military Observers [MOMEP] has verified that our country has not violated the Itamaraty Peace Declaration.

The MOMEP has already made an inspection visit of the entire demilitarized zone and verified that it is not true that a larger number of troops than provided for in the peace declaration has entered the demilitarized zone, Gen. Ortega said.

He said that the visit to Quito of Peruvian General Nicolas de Bari Hermoza is very positive because it will allow resumption of cordial and friendly relations that had existed normally between the Armed Forces of the two countries before the conflict.

This visit, and the visit that Ortega will make to Lima, will help in analyzing all the relaxation measures considered necessary to guarantee once again the peace process between the two countries.

The two parties, from the military point of view, will propose measures of confidence the analysis of which will begin in Quito and conclude in the Peruvian capital before they are approved and adopted by the two countries.

Ecuador: Peruvian Military Chief Received With Honors

PY0103021296 Quito La Voz de Los Andes in Spanish 2300 GMT 29 Feb 96

[FBIS Translated Text] General Nicolas de Bari Hermoza, chief of the Peruvian Joint Command, arrived in Quito today to attend the first round of talks with his Ecuadoran counterpart Jorge Ortega, with whom he will analyze the development of the peace process between the two countries.

De Bari Hermoza was received by Ortega with military honors at the Marshal Sucre Airport in Quito, although neither of the two made remarks to the press.

The Peruvian general is scheduled to meet tomorrow with General Jorge Ortega to discuss "the development of the peace process, from the military point of view."

This will be the first of two meetings Ortega and De Bari Hermoza will hold, because the Ecuadoran general will leave on Sunday for Lima to hold the second meeting.

Today's meeting takes place at a time when Peru has accused Ecuador of having violated the demilitarized zone near the Peruvian Watch Post One, PV1, although Ecuadoran officials have repeatedly denied that accusation.

Ecuador: Peasants Block Highways, Demand Security Funds

PY2902180796 Madrid EFE in Spanish 0018 GMT 29 Feb 96

[FBIS Translated Text] Quito, 28 Feb (EFE) — Ecuadoran peasants and indigenous people blocked today the main highways of the country to force the government to appropriate economic resources for the adequate operation of Social Security for Peasants.

About 160,000 peasants and indigenous people who are affiliated to Social Security for Peasants are holding a 48-hour strike to demand the payment of a debt of 1.655 billion sucres ($570,689), which the administration owes to social security.

Radio reports indicate that the strikers blocked the traffic in first and second class highways, even the Panamericana highway, with rocks and branches of trees set on fire.

According to the reports, there are long lines of vehicles and that it is practically impossible to circulate in the country.

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Mesias Ushina, president of Social Security for Peasants, said that "it is a successful strike, it is a national strike," and that the strike "is political" because "we peasants believe the time has come to stand up and demand our rights."

The strikers complain that most of the equipment in the health centers are damaged or obsolete, and that they don't have any medicine or basic elements.

Social Welfare Minister Alberto Cardenas went to the Carondelet Palace, government house, to talk with President Sixto Duran-Ballen to get the funds demanded by the peasants.

Cadenas said: "I am here to talk, to try to get the state to pay the money owed to Social Security for Peasants."

Ecuador: Duran-Ballen Reduces Activities Due to Flu

PY2902185196 Quito Voz de Los Andes in Spanish 1700 GMT 29 Feb 96

[FBIS Translated Text] A bulletin issued by the press secretariat of the Presidency of the Republic reports that Ecuadoran President Sixto Duran-Ballen is suffering a strong bout of the flu.

Consequently, yesterday the president was compelled to rest and undergo a brief medical treatment to ease the normal flu symptoms.

The chief of state has also had to modify his usual working schedule by reducing the number of meetings, audiences, and canceling his participation in public ceremonies.

The president of the Republic remains at the Carondelet Presidential Palace.

Ecuador: Economic Stabilization 'Possible' in 1996

96SM0046A Quito EL COMERCIO in Spanish 2 Jan 96 p B4

[Received via Internet]

[FBIS Translated Text] At the beginning of every year various forecasts are made about the future, some of them encouraging and others pessimistic.

In the view of CORDANEC [Economic Analysis Corporation] it may be possible to achieve the economic stabilization apparent until the beginning of 1995. However, this could be accomplished on one condition: economic groups should limit their reactions to the process of political change.

The greatest uncertainty in 1996 will probably center on the course of the exchange rate and capital flows, which reportedly will have a direct influence on economic growth and the stability of production.

There reportedly will be pressures against achieving a balance in public sector accounts. It would be appropriate to make an effort to avoid an increase in public spending and to increase tax collections so that, when there is a change in government, this will not result in the usual maladjustments. Taxation now stands in the vicinity of 12 percent of GDP [gross domestic product].

If social groups show little disposition to reach a consensus, this could lead to strong, inflationary tensions, which, in turn, could affect economic developments over the medium term.

The country will continue to face high and possibly more serious risks than at present if tensions in the financial sector are not reduced. CORDANEC does not rule out the possibility of definitely worrisome aspects resulting from a deliberate change in economic indicators.

CORDANEC considers that, by comparison to 1994, GDP in 1995 only increased by 1.8 percent, while the budget deficit increased by 1.0 percent. International monetary reserves in 1995 reportedly fell by $20 million, compared to 1994 levels.

CORDANEC estimates that between 1995 and the year 2000 there will be an average growth in GDP of about 4.0 percent. This is based on the assumption that a policy of rationalization of the productive apparatus will be carried out to reap the achievements of the stabilization achieved in the preceding years.

Ecuador: Petroecuador Announces Pipeline Expansion

96SM0046B Quito HOY in Spanish 11 Jan 96 p 6A

[Received via Internet]

[FBIS Translated Excerpt] Quito, 11 January 1996 — The Board of Directors of Petroecuador [Ecuadoran State Petroleum Company], at its meeting on 10 January in Quito, authorized the expansion of the Transecuadoran Pipeline to give it a transportation potential of 380,000 barrels of petroleum per day.

Jorge Pareja Cucalon, chairman of the Board of Directors of the company and minister of energy and mines, stated that this project will be implemented by Petroecuador, using technical personnel and financial resources of the state owned company. It will be operated by the employees of the pipeline company, which is owned by Petroecuador.

He further stated that the project has been earmarked for immediate implementation. Consequently, the Board of

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Directors ordered the beginning of the basic engineering and detailed studies necessary to determine the technical and economic aspects of this project. The expansion of the pipeline by Petroecuador can no longer be delayed.

Pareja emphasized that over the next few weeks the ultimate costs of the project will be determined, when the results of the studies are known. The cost will definitely not exceed the original estimates.

He pointed out that the investment will be made by Ecuador, the project will be defined in optimum terms by specialized, Ecuadoran personnel, and, above all, it will be operated by Petroecuador technical personnel.

Ecuador: Implementation of 'Living Borders' Policy Urged

96SM0046C Quito EL COMERCIO in Spanish 12 Jan 96 p A4

[Commentary — received via Internet]

[FBIS Translated Text] 12 January 1996 — What has Ecuador done, in effect, to consolidate the policy of "living borders" which it announces whenever a border conflict occurs? The question is pertinent because it involves comparing it with the programs which Peru, our neighbor, is carrying out in this sense.

Although we can anticipate the answer which will probably be given by the government, everything seems to indicate that this old proposal remains to be implemented and to receive the support it needs. This proposal is the best way to strengthen national sovereignty in the extensive area whose borderline we share in the East and South with Peru. It is also an old Ecuadoran custom to forget any proposal very quickly, however important it may be. When the problem comes up again, as it has so many times in the past, regrets are expressed, and we once more make promises to do something about it.

Peru is settling Army reserve forces in the Amazon territory bordering on Ecuador. These troops are being turned into farmers and are being provided, for this purpose, with a series of benefits, including housing, electrical equipment, implements, and other forms of help.

However, the essential aspect is that, according to a statement made by the commanding general of the Peruvian Army in the Sixth Military Region, whose headquarters are in Bagua, Army engineers have built 185 km of roads suitable for vehicles, "bringing together villages near the frontier with Ecuador." He stated that in 1996 the length of the road network will be tripled. That means that, in a short period of time, Peru will have a fair weather highway network in this area. The contrast with Ecuador may be imagined.

It would therefore be appropriate for the Ecuadoran Government to approve a program with this purpose in mind, for implementation, and with no more excuses, by future governments which will not be able to ignore it under any pretext. It is these "living borders" which support the latent national spirit and the material possession of its territory. And this is an ideal means of supporting peace and maintaining relations of cooperation and o73 friendship with Peru.

Peru

Peru: Editorial Condemns Cuban Downing of Planes

PY2902170596 Lima EL COMERCIO in Spanish 27 Feb 96 p A2

[Editorial: "The Condemnable Cuban Attack"]

[FBIS Translated Text] The attack perpetrated by Cuban fighter jets last weekend on two small planes belonging to Cuban exiles residing in the United States, who were accompanied by U.S. citizens, is an inexplicable and condemnable action from every point of view.

This incident, which has caused the concern and rejection of international public opinion, directly involves the Cuban Air Force which according to preliminary reports proceeded to destroy the planes in an irresponsible manner despite the fact that these were unarmed civilian planes that were overflying international air space.

Cuba has alluded to the planes being intercepted while inside Cuban air space over jurisdictional waters, but the United States has denied this report.

Justifying this action, the Fidel Castro government has stated that this action sought to teach a lesson to Cuban exiles who seek to increase tension between Washington and Havana. In this case, it has noted these were "pirate planes" which, as on previous occasions, were warned not to incur in Cuban air space.

Nevertheless, this observation does not justify a military attack on innocent people. Neither the nationality of the victims — Cuban members of the "Brothers to the Rescue" organization opposed to the Castroist government and policies — nor the location of the incident are valid arguments to justify such an action which has resulted in the regrettable loss of lives and an enormous impact and consequences on international rights.

So far, the U.S. Government has issued six sanctions with the objective of punishing this "flagrant violation of international laws" as President Bill Clinton described the incident after saying that "it was a mistake and the United States will not allow it."

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Among these measures, which regretfully will help to distance the United States and Cuba, which have always maintained tense ties, even further — are: to request the UN Security Council to condemn Cuba and enforce sanctions until the Cuban Government indemnifies the relatives of the victims; to promote the approval of the Helms Law — sponsored by Republican Senator Jesse Helms which calls for the intensification of the commercial embargo enforced over the past 33 years; to restrict the movement of Cuban diplomats in the United States; and to suspend commercial flights to the island.

It has also been decided to use the Cuban funds that have been frozen in the United States to indemnify the relatives of the victims and to issue more funds for "Radio Marti", a U.S. radio that broadcasts to Cuba and which is contrary to the Fidel Castro government.

In so doing, Clinton is not only trying to respond to the perpetrated aggression but also heeding to the demands of the Republican opposition which has criticized him at the domestic level and during an election year for conducting a Cuban policy that is "too soft."

It is obvious, however, that this unjustified action will not only damage bilateral ties but also the international ties of Cuba which has been questioned for human rights violations charges which is one of the many problems affecting the majority of Cubans.

About four months ago, in November 1995, the UN General Assembly approved for the fourth consecutive year a resolution requesting the lifting of the economic embargo on Cuba.

At the time, the United States, which has always kept silent on the issue — refused to accept this initiative alleging that the existing conditions did not warrant the lifting of sanctions because the Castro government had not shown any changes in its economic opening or human rights policies.

In view of the most recent events, today these initiatives will continue to be just that, futile efforts that will not prosper because of the negligence and irresponsibility of the Cuban Government which seems not to have considered the consequences of an incident that will mainly affect the Cuban economy.

As some governments of the Americas have stated, it is hoped that the situation created by the downing of the two civilian planes will be resolved within the framework of the UN Charter, a document which among things, compels member countries to : "...safeguard future generations from the scourge of war (...) reassert the upholding of human rights (...) create the conditions to uphold justice and the obligations established in treaties and other international agreements..."

Peru: Cuban Downing of Planes 'Great Problem' for Clinton

PY2902152296 Lima EL COMERCIO in Spanish 27 Feb 96 p B2

[Report by New York correspondent Norberto Svarzman]

[FBIS Translated Text] The downing of two civilian aircraft by the Cuban Air Force represents a great problem for President Bill Clinton's domestic and foreign policy.

Moreover, it reminds him that the superpowers' affairs are inexorably linked to international crises. Four years ago candidate Clinton criticized President George Bush for devoting too much time to international affairs and little time to domestic affairs.

A lot of energy and maintenance must be dedicated to the peace process in the Middle East, an honorable outcome to the problem in Bosnia must be sought, and once again Clinton is holding a burning coal thrown at him by Fidel Castro.

It is hard to justify the destruction of the two aircraft even if one believes the version that they were in Cuban airspace. The two were light and unarmed aircraft. International law and practice states that in these cases the aircraft involved must be forced to land. The pilots can even be threatened with machine-gun blasts fired into the air.

The most surprising thing about it all is that the incident takes place at a time when Clinton's administration has been making an effort to step up contacts with Cuba in order to improve relations.

Clinton has very few additional sanctions left to take because the embargo on Cuba is still in force. The measures he could take include jamming telephone calls, which represent a great source of income for Castro's government, and the transference of money from Cubans residing in the United States to their relatives in Cuba.

But those measures, seemingly, will not really affect the Cuban regime which is accustomed to this sort of situation. The question is: What did Castro really seek when he ordered the downing of the aircraft belonging the Cuban group in exile "Brothers to the Rescue?"

None of the consulted diplomats has been able to answer this question and, in truth, everyone is very surprised. Ultimately, this has a negative impact on Castro's image precisely at a time in which he was trying to improve relations and negotiate with the EC. The incident also takes place shortly after the arrest of the members of

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the so-called "Cuban Council," which upholds dialogue as a means to seek a peaceful political solution.

Therefore, everything seems to have come to a deadlock and this is already having an impact on the domestic U.S. front, with legislators demanding a reaction. One mustn't forget that the United States is immersed in an electoral campaign and that the Republicans may take advantage of this opportunity to make Clinton's life more difficult.

The United States has resorted to the United Nations, but it should not expect anything from this organization. In the first place, there has always been great reticence to discuss the "Cuban case" and, what is more important still, is that now Russia and China, who have a right to veto, have clearly stated that they are against any severe measure.

Peru: Verification of Peace Agreement Violation Sought

PY0103041096 Lima EL COMERCIO in Spanish 29 Feb 96 p A1

[FBIS Translated Text] Peru has reported to the mission of military observers of the Rio de Janeiro Protocol guarantor countries that Ecuador violated the demilitarized zone established on the common border between the two countries.

General Daniel Mora Zevallos, the liaison officer between our country and the MOMEP [Ecuador-Peru Mission of Military Observers], has said that the Ecuadoran incursion took place at a point located 10 km northeast of the Peruvian Watch Post One (PV1).

Mora Zevallos said that the report on the violation was submitted on Monday to the MOMEP 2 Staff, noting the Ecuadoran infiltration detected two days before, just on the Peruvian-Ecuadoran border line located within the demilitarized zone.

He confirmed that he had requested in this report, which was submitted to the coordinator general of the mission, General Francisco Roberto Albuquerque, the verification of the size of the installations, the withdrawal of troops deployed there, and a report to representatives of countries guarantors of the Rio de Janeiro Protocol.

He said that according to the MOMEP's internal procedures, it is appropriate to verify the Peruvian report and the preparation of an internal report.

It is appropriate to mention also that on previous occasions when incidents took place, they were resolved internally, without the issuance of a report or communique for public opinion.

Gen. Mora Zevallos declined to provide further details on the violation by Ecuador of points two and three of the Itamaraty Peace Declaration, because he said that there is a secrecy commitment with MOMEP.

Reconnaissance must be carried out through specialized technical means, such as use of the GPS [Global Positioning System] to establish the exact place where the installations are located. The installations include, as reported, a heliport, garrisons, pillboxes, and shelters.

It is appropriate to point out that the MOMEP conducts periodic reconnaissance flights to prevent the entry of military forces into the demilitarized zone of 528 sq km.

The detection of the installations was learned of by military sources after a reconnaissance flight by MOMEP 2 forces.

The MOMEP Superior Consultative Committee will hold its regular meeting on 7 and 8 March in Brasilia, when this delicate issue will be discussed. The stay of the MOMEP 2 in the demilitarized zone will be made official.

Peru: General Speaks on 'Violation,' Leaves for Ecuador

PY0103014796 Madrid EFE in Spanish 2220 GMT 29 Feb 96

[FBIS Translated Excerpt] Lima, 29 Feb (EFE) — General Nicolas de Bari Hermoza, chief of the Peruvian Armed Forces, today stated that the violation of the demilitarized zone by Ecuador must not affect the peace talks between the two top military commanders of Ecuador and Peru.

Before leaving for Quito to meet with his Ecuadoran counterpart Jorge Ortega, Gen. De Bari Hermoza said that he expects the incident created by the violation "to be solved as soon as possible."

He said: "What happened on the border is a situational incident that requires the resolution of some procedures. In any peace process there are always a number of misunderstandings."

De Bari Hermoza declined to make further remarks on the presence of Ecuadoran troops and military installations in the demilitarized zone because, as he said, "President Alberto Fujimori and Foreign Minister Francisco Tudela already gave their opinion on the matter."

He also confirmed that the Ecuadoran presence there was reported "in due time" to the Ecuador-Peru Mission of Military Observers (MOMEP) by General Daniel Mora, the Peruvian liaison officer with the MOMEP.

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During his stay in the Ecuadoran capital, the chief of the Peruvian Armed Forces will hold a "comradeship" meeting with Gen. Ortega and his top commanders, and with the chiefs of the MOMEP. [passage omitted]

Peru: Daily on Reduction of Troops, Ecuadoran Plan

PY2902181796 Lima LA REPUBLICA in Spanish 28 Feb 96 p 18

[Editorial: "Northern Dirty Tricks"]

[FBIS Translated Text] In a recent evaluation of the development of negotiations between Peru and Ecuador that seek to solve the "subsistent impasses" mentioned in Article No. 6 of the Itamaraty Agreement, we mentioned the need to implement a "slow pace" policy to avoid any hasty decisions which we may regret.

The implementation of this suggestion seems more urgent than ever in view of two surprising developments resulting from the meeting Peruvian Foreign Minister Francisco Tudela and Ecuadoran Foreign Minister Galo Leoro held last weekend in Quito. This meeting ended without concluding discussions regarding procedural matters on which the two foreign ministries have been working.

The first development is the withdrawal of a little more than 300 Peruvian soldiers from PV2 [Watch Post No. 2], where there are only 60 soldiers left now. We do not understand the reason for this withdrawal because the mentioned watch post is located inside Peruvian territory, far away from the demilitarized zone, and the number of the troops stationed there was not as a result of last year's war.

With this withdrawal is Peru trying to give the suspicious northern interlocutor a sign of goodwill? Is it in exchange for Ecuador dropping its obsolete theory of signing a "nonaggression pact?"

We do not know and believe that Minister Tudela should give the explanation the Peruvian people expect soon, because that withdrawal seems to be befitting the type of gestures that may have serious consequences, especially if Peru remains silent regarding the number of Ecuadoran soldiers that remain in bases such as Condor Mirador and others.

The second worrisome issue refers to the "subsistent impasses," an expression that Ambassador Javier Perez de Cuellar termed ambiguous and unfortunate. In view of the developments, one can't help but agree with him.

The problem is that the number of "subsistent impasses" continues to grow. It went from 11 to 13 on a list drafted by retired generals and admirals and now allegedly amounts to 20, according to the list by military officers on active duty published in the daily EL UNIVERSO in Guayaquil.

We may agree that there is no point in using these unofficial lists for discussion and that we have to wait until the Quito Foreign Ministry discloses its list of "impasses" to adopt a stance, but what prompts us to become more alert are some recent statements by Foreign Minister Leoro, according to which Quito has included the subject of "the protocol's nonexecutability" in its list of "impasses," and consequently — according to the northern foreign minister —our country can't get out of discussing the subject.

Now we are heading for deep waters, because although the hopes were to discuss concrete issues according to the Peruvian stance of sticking to the demarcation problem, we find that Ecuador — and according to statements by the highest representative of its diplomacy — revives the obsolete theory about the nonexecutability of the protocol, that intends to destroy a legal tool allegedly due to the nonexistence of a geographical features mentioned in the ruling passed by arbitrator Braz Diaz de Aguiar.

We must move carefully because we are obviously facing a new Ecuadoran attempt to shatter the protocol and consequently impose their radical positions. This means that not only concrete issues resolved by the Bilateral Commission for the demarcation of the borderline would be questioned but that there will allegedly be a more ambitious and global proposal insisting that the protocol is nonexecutable .

Peru must be prepared to retaliate that Ecuadoran stance that, moreover, is unsustainable due to the new technical developments to identify geographical features with the use of satellites. We clearly remember how a few years ago the famous water division [divortium aquarum], which Ecuador said did not exist, was found thanks to photographs taken by a U.S. satellite.

Therefore, the recent publication by the Foreign Ministry of documents, maps, photographs, press reactions when the Brazilian military men passed his ruling are opportune. This publication also definitely shows that the Peruvian stance has solid grounds.

But what is the purpose of including the theory of the nonexecutability of the protocol among the "subsistent impasses?" Quite simple: By including a global problem among what is believed will be very concrete issues, Ecuadoran diplomacy has the possibility of once again jeopardizing the negotiations, because it knows very well that our country will never accept that theory.

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Here again we recall the warning by ambassador Perez de Cuellar, who rightly maintains that Peru must be prepared to retaliate any maneuver of the northern Foreign Ministry seeking to overlook the Rio de Janeiro Protocol and establish a discussion framework other than this juridical instrument.

This is what will happen if the Peruvian Foreign Ministry does not react soon to minister Leoro's statements because is quite clear what he is aiming at: If the Protocol is "nonexecutable," the "subsistent impasses" must be resolved outside the protocol. Precisely what has not been achieved in the past 50 years.

The move is risky and demands that the adversaries' move be watched closely. Therefore, we cannot understand this reduction of troops that had nothing to do with the demilitarized zone. Let us hope that this retreat in the defense field will not be the foreword of another in the diplomatic field.

Venezuela

Venezuela: Congress Says Cuban Downing of Plane 'Inhuman'

PA2902213196 Madrid EFE in Spanish 0054 GMT 29 Feb 96

[FBIS Translated Text] Caracas, 28 Feb (EFE) — The Venezuelan National Congress today described as "inhuman" the shooting down of two airplanes of the anti-Castro "Brothers to the Rescue" group by the Cuban Air Force, which occurred last Saturday. The National Congress said this action encourages those who wish to isolate Cuba from the Latin American community.

COPEI [Social Christian Party] Senator Pedro Pablo Aguilar, who is also the secretary general of the Christian Democratic Organization of America (ODCA), had proposed the text of the document, which was unanimously approved.

This document described as "unacceptable" the "repression" that Cuban President Fidel Castro's government had exerted against the members of local opposition groups, adding that this repression "obstructs the objective of economic and commercial cooperation with Cuba."

In addition, the Venezuelan National Congress said that "in Cuba, a peaceful movement is gaining strength in demand of public freedom and respect for human rights." This movement is adversely affected by those opposed to a peaceful solution and who resent the impact that Cuba's case has in U.S. policy.

Like the Venezuelan Government, the National Congress expressed its "concern" for the tension that has arisen between Cuba and the United States as a result of the shooting down of the planes. The National Congress stated that "the transition of the Cuban people toward democracy should be peaceful and should be made with a dialogue between the entire Cuban society and its rulers."

Venezuela: Nation To Eliminate TEM's Due to 1995 Losses

PA2902232796 Caracas Venezolana de Television Network in Spanish 1545 GMT 23 Feb 96

[Report by Zulay Rosas]

[FBIS Translated Text] The board of the directors of the Central Bank of Venezuela [BCV] approved a new program to handle the National Treasury's current debt with the BCV. Zulay Rosas reports that the Monetary Stabilization Bonds [TEM's] could be replaced shortly by bonds issued in dollars or bolivares.

[Rosas] The minister in charge of the Cordiplan [Office of Coordination and Planning] believes that this policy did not prove to be convenient, adding that the BCV board of directors admits this. Therefore, the possibility of replacing the TEM's with securities, issued either in bolivares or dollars is being examined. One can recall that the TEM's were created about 1.5 years ago to reduce monetary liquidity and halt inflation. However, this goal was not fully achieved.

[Begin Cordiplan Minister Edgar Paredes recording] The TEM's caused the National Treasury to report a loss of some 160 billion bolivares in 1995. It is worth saying that this loss was larger than the budget reduction of 146 billion bolivares that was agreed upon at the end of the year. [end recording]

[Rosas] The decision to eliminate the TEM's is related to the new payment program, which the BCV board of directors approved last Thursday, to pay off the National Treasury's debt with the institute [word indistinct], which amounts to 1.131 trillion bolivares. This refinancing program is expected to allow more of the principal to be paid in order to minimize the accrual of interest and, in turn, reduce the fiscal deficit.

[Begin Paredes recording] This debt has been lagging behind for many years from previous processes for refinancing Venezuela's public debt. In addition, it includes an element related to the process of converting of debt into investment. As it may be recalled, a new decree has recently been approved. [end recording]

[Rosas] The Cordiplan minister did not inform when the issue of TEM's will end. In any event, the BCV president will have to explain this. Nevertheless, it was made clear that the individuals who have acquired these

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TEM's, either at a short or long term, will not be harmed.

Venezuela: Minister Urges 'Significant' Economic Measures

PA2902164296 Madrid EFE in Spanish 1534 GMT 28 Feb 96

[FBIS Translated Text] Caracas, 28 Feb (EFE) — The Venezuelan Government today admitted that significant short-term economic measures should be taken to prevent a hyperinflation that might destabilize this country, said Coordination and Planning Minister Edgar Paredes.

These measures, which include a tax increase of 12 to 15 percent on wholesale sales and a temporary 0.5 percent tax on banking operations, among others, are part of the "Venezuela Agenda" being negotiated with the IMF.

Paredes said he expects to sign an agreement with the IMF after the conclusion of the upcoming round of negotiations in Washington. These negotiations will facilitate to Venezuela a portion of the $7.5 billion required to enforce these measures.

The minister admitted an agreement with the IMF is the basis for Venezuela to regain the financial community's confidence. This factor is a necessary one to achieve stability and to reactivate the economy.

A reduced fiscal deficit, which represented 6 percent of the GNP in 1995, is one of the IMF's requirements and one of the government's primary measures. The government expects to lower this deficit to 3 percent this year and to eliminate it by 1997.

The "Venezuela Agenda" includes other projects such as the elimination of foreign exchange controls and an increase in gasoline prices once mechanisms have been created to minimize their impact on low income people.

According to Paredes, the success of these negotiations depends to some degree on Congress, which must approve the tax laws so as to convince the IMF of the resolve to seriously undertake the necessary reforms and to obtain its support.

The "Venezuela Agenda" also includes other points such as upgrading the banking sector, the sale of public enterprises, reforms to social security, and changes in the pension fund system.

Paredes admitted the "Venezuela Agenda" includes hard measures that will demand sacrifices from the citizens, particularly during the initial phase of the plan. In addition, he expressed himself in favor of "speaking frankly."

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